

FINANCIAL TIMES

Weekend FT The Hollywood extras factory

Intrigue of the Vinland map

Specials Fashion's dangerous liaisons

SECTION II

World Business Newspapers

WEEKEND JUNE 29/JUNE 30 1996

New concerns over Yeltsin's health ahead of election

Russia's political uncertainty deepened yesterday when President Boris Yeltsin missed an important meeting...

Mortar attack rocks UK army barracks in Germany

A mortar attack on a British army barracks near Osnabrück in Germany set off explosions but no injuries were reported...

Japan's jobless total at record level

Japanese unemployment hit 5.5 per cent last month, the highest since records began in 1953...

Louho confirmed plans to float off its hotel and African trading interests by next year

The move to break up the UK conglomerate is designed to leave Louho as a focused mining group...

Lloyd's of London is set to exclude many of its US Names from underwriting next year

US Names from underwriting next year unless state securities regulators retreat over legal action they are pursuing against the insurance market...

German defence ministry faces big cuts

German defence minister Volker Rühe faces a humiliating setback next week when he is expected to have to cut about DM700m (\$455m) from his 1997 budget...

Wall Street helps to lift London shares

US treasuries lifted UK stocks which have threatened to fall below 3,650 on the FT-SE 100...

Spain's go-ahead for sell-off plan

Spain's centre-right government gave the go-ahead to an ambitious privatisation plan for state shareholdings which it said were worth Pta2,300b-Pta3,000b...

Planet Hollywood in casino ventures

US leisure group, PTT, is joining forces with the Planet Hollywood restaurant company to open a chain of "themed" casinos...

Deadline extended on N-test ban talks

International negotiators trying to complete a global nuclear test ban treaty were given an extra month to sort out their differences on key issues...

James Bond producer dies

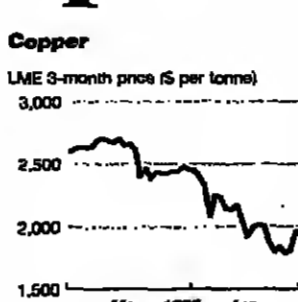
Albert "Cubby" Broccoli, the US producer of the successful James Bond series of films, has died aged 87 at his home in Los Angeles...

Becker out of Wimbledon

Men's second seed Boris Becker withdrew from Wimbledon tennis championships with a suspected fractured wrist during a third round match against South Africa's Neville Godwin...

Inquiry to cover possible collusion by Chinese companies to control copper prices Sumitomo to probe cartel allegation

Sumitomo Corporation said yesterday that a key part of its investigation into huge copper losses would be possible collusion between Mr Yasuo Hamanaka, its former head trader, and Chinese companies to control international prices...



Both statements followed a Financial Times investigation, published yesterday, which revealed the attempts to control prices by the Japanese trading house, in tandem with Chinese state-owned companies, during the past decade...

Companies with which Mr Hamanaka had close ties, declined to comment. Representatives of Britain's Serious Fraud Office and Securities and Investments Board and the US Commodity Futures Trading Commission met Sumitomo officials yesterday to ask for information on trading between Mr Hamanaka and brokers in the UK and US...

Japanese authorities had previously denied any intention to investigate the affair, maintaining there was no evidence of illegal behaviour by Sumitomo. Meanwhile, Mr David Threlkeld, the trader who, when on the LME, in 1991 received a handwritten letter from Mr Hamanaka asking for a backdated invoice for a fictitious trade, said he still had not been contacted for information by any of the UK or US regulatory authorities investigating the affair...

Clinton yields to pressure over US trade initiatives

US President Bill Clinton yesterday yielded to strong pressure from leaders of the world's other main economic powers concerned about recent US trade initiatives...

Clinton's declaration was seen by other world leaders at the economic summit of the G7 leading industrial countries to amount to a clear condemnation of recent US unilateral trade initiatives. They insisted on the declaration to underline their concern at the US Helms-Burton Act, which allows private legal actions against foreign companies doing business in Cuba...

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French president Jacques Chirac (right) greets Bill Clinton at the opening session of the summit in Lyons. The US president joined his G7 partners in signing a trade declaration.

Islamist party forms historic secular coalition in Turkey

Turkey's Islamist Refah party yesterday announced a coalition with the secular conservative True Path party of Mrs Tansu Ciller. Mr Necmettin Erbakan, Refah's leader, said: "The new government is formed. A coalition agreement was signed and we will announce it at 11am today..."

The agreement follows six months of political disarray in Turkey and ends weeks of speculation over the progress of talks which began after the collapse in May of Mrs Ciller's conservative alliance with the Motherland party of Mr Mesut Yilmaz, the caretaker prime minister...

Mr Erbakan, 68, is to be the prime minister. This is the first time since the establishment of Turkey's secularist republic in 1923 that an Islamist has taken control of the government...

Mr Erbakan did not say whether he would rotate the premiership with Mrs Ciller. Prior to Mr Erbakan's statement, Istanbul's stock market rolled 3.3 per cent on speculation that Refah and True Path were close to agreement...

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Table with 2 columns: Company Name and Share Price/Change.

Table with 4 columns: Stock Market Indices, US LUNCHTIME RATES, NORTH SEA OIL, LONDON MONEY, GOLD, and STERLING/DOLLAR.

Table with 4 columns: Contents listing various sections like News, Markets, Foreign Exchange, etc.

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# US Names may be barred from underwriting

By Ralph Atkins, Insurance Correspondent  
Lloyd's of London is set to exclude many of its US Names from underwriting next year unless state securities regulators back down in legal action they are pursuing against the insurance market.

plan this summer. Last week, Lloyd's said US Names may have to be excluded from the recovery plan - which includes a £3.1bn (\$4.8bn) out-of-court settlement.

states would not be permitted to participate on syndicates in 1997 "unless their securities regulators can be persuaded to modify their positions".

Mr Demery adds that Names in other states, besides the 12 specified by Lloyd's, will be allowed to take part on syndicates or in the auctions only "if Lloyd's is satisfied that it can permit such participation without undue legal risk".

not intended to increase pressure on the regulators. Last year, Lloyd's stopped recruiting new US Names.

"have issued orders or are involved in ongoing proceedings taking the position that annual syndicate participations constitute securities".

## LLOYD'S

LLOYD'S OF LONDON  
offer - because of the legal problems. In a memorandum yesterday, Mr Nicholas Demery, a lawyer in the Lloyd's legal services department, said US Names in 12

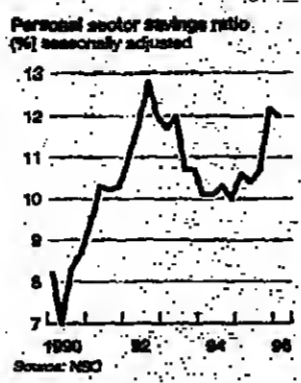
# Economist to challenge optimism on investment

By Gillian Tett, Economics Correspondent  
The controversy about whether British companies are investing enough will be inflamed next month by claims that the UK investment record is far worse than the government has recently stated.

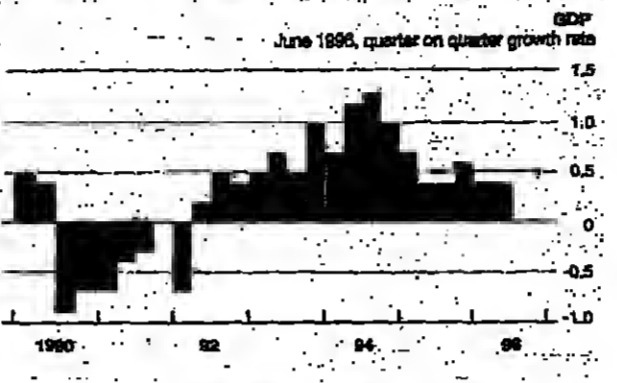
direct challenge to attempts by Mr Michael Heseltine, deputy prime minister, to trumpet the recent investment record. Earlier this month, a government report claiming to correct "fallacies" about investment asserted that UK investment as a proportion of gross domestic product had recently been higher than in France, Germany, Italy and the US.

- to be an unreliable guide for cross-border comparisons. There are fears that recent changes in the UK economy such as privatisation mean that some former government investment is now recorded as private "business" investment, thus inflating the data.

## Consumer spending power stronger than expected



Japan over the past 35 years. The UK economy was given a twin boost yesterday when government statisticians declared that last year's current account deficit was half previous estimates while consumer incomes showed the



fastest rise since the late 1980s. Britain was in balance of payments deficit to the tune of £2.5bn last year, which was sharply lower than earlier estimates of £6.7bn, the Office for National Statistics said.

# Euro 96 leader to switch to ISL

By Jimmy Burns in London  
The head of Euro 96 and senior English Football Association official, Mr Glen Kirton, has been appointed vice-president (football) of the Swiss-based ISL group which has been handling the core marketing of the soccer tournament.

World Cup in France and the next European championship - Euro 2000 - to be held jointly in the Netherlands and Belgium.

will be discussing his future with the FA nearer the time that his contract expires," a Euro 96 spokesman said last night.

ISL may depend on the outcome of a continuing divisive debate within Fifa, world football's governing body, over the handling of marketing and broadcasting rights. ISL has submitted its joint bid for future World Cup contracts through Sports, the company owned by the Dassler family which in turn has a majority shareholding in ISL.

# Lonrho to float hotels and Africa trading interests

By Ross Timan in London  
Lonrho yesterday confirmed plans to float off its hotel and African trading interests by the start of next year.

cent to 25 per cent stake in it. Lonrho will be re-named, so that the trading business can assume the Lonrho name, Mr Bock said.

## BUSINESSES FOR SALE

### ASTIKA AKINITA

INCORPORATED COMPANY OF REAL ESTATE CONSTRUCTIONS TOURIST AND RELATED ENTERPRISES

#### PUBLIC CALL FOR TENDERS FOR THE SALE OF THE ASSETS OF THE COMPANY UNDER THE TITLE "HELLINIC DECORATIVE ROCKS S.A."

The incorporated company "ASTIKA AKINITA S.A." (43 Parnepoliou str., 105 64 Athens) as a special liquidator by virtue of resolution No 4292/1996 of the Athens Court of Appeal, of the limited liability company "HELLINIC DECORATIVE ROCKS S.A." (Hellenic Lapida sei) (hereinafter referred to as the "Enterprise")

ANNOUNCEMENTS  
A public call for tenders with sealed, binding offers, for the sale of the total assets of the Enterprise under special liquidation by virtue of article 466, L. 1892/1996.

ACTIVITIES AND BRIEF DESCRIPTION OF THE COMPANY  
The "enterprise" was founded in 1987 under the title "HELLINIC DECORATIVE ROCKS S.A." (Hellenic Lapida sei). The seat of the company according to its articles of association, is the Municipality of Hologaras, Prefecture of Attica.

1. The liquidating company and the creditors representing 51% of total claims against the company (para. 1, article 466, L. 1892/1996 as it currently applies) are not liable for any legal or real defects or the lack of any attributes of the objects and rights being sold, nor are they liable for any omissions or inaccuracies contained in the offer memorandum and any correspondence.

2. Interested potential purchasers are obligated, under their own supervision, and by their own means, expenses and personnel, to investigate and acquire a personal perception of the objects being sold, and to ascertain in their offer that they are fully informed as to the real and legal condition of the assets.

3. The liquidator and the creditors mentioned in para. 1 above are entitled, according to their own judgement, to reject offers containing terms and conditions, or contain the other omissions mentioned in para. 4 of the present, regardless of whether they are superior to other offers as regards the amount being offered.

4. In any case, the creditors have the right, in their judgement, to reject offers that include terms or clauses, even if these are superior to other offers, as well as to consider those terms not written and thus the offer remains binding according to the rest of its content (article 2, para. 3, L. 2302/1996).

5. In the event that the successful bidder violates its obligation to come forward and sign the relevant contract within ten (10) days from the invitation by the liquidator and observe the obligations arising from the present announcement, the letter of guarantee is declared forfeited in favour of the liquidating company, towards covering all its expenses of any type and its services, as also any direct or indirect damages, without the necessity of proving specific damage, and as a penal clause in favour of that company, deemed as having been submitted with the offer, so that it can be collected from the Bank issuing the guarantee. The letters of guarantee will be returned, following the evaluation report of the liquidator, and especially to the successful bidder following the payment of the amount and the drafting of the payment order.

6. The seals of the offers will be broken by the notary public mentioned below, at her office, at 13:00 on Monday, July 22nd, 1996.

7. The successful bidder will be the party whose offer will be judged by the liquidator and approved by the creditors mentioned in para. 1 of the present, as being the most advantageous for the "enterprise" creditors.

8. The liquidator will notify the successful bidder in writing of his obligation to come forward to the place and at the time determined in the notification for signing the contract transferring the assets, according to the terms of the offer and any improved terms that may be indicated by the creditors and agreed with the successful bidder.

9. All costs from the participation in the tender and the transfer (tax, stamp duty, notary public's fees, registrar of mortgages, V.A.T., announcements, etc.) will burden exclusively the bidders and the successful bidder accordingly.

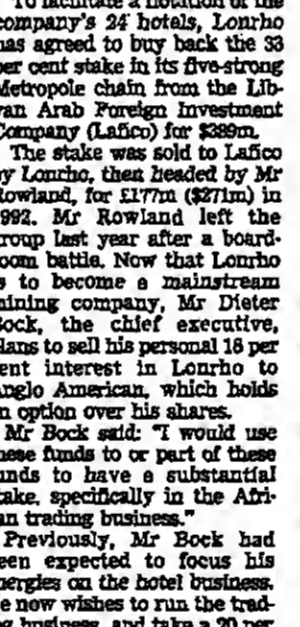
10. In the event of part of the purchase price being on credit, the successful bidder will be obligated to provide any guarantee that may be requested by the liquidator according to his own, exclusive judgement, and will be burdened with all related expenses, costs and fees required for the formation of such guarantee and their termination.

11. The liquidator and the creditors will not bear any responsibility or liability against those who will participate in the tender as regards the evaluation of the offers, their recommendations or the successful bidder, the decision for the rejection or cancellation of the tender and any other decision relevant to the procedure and realization of the tender.

12. The present announcement has been drafted in the Greek language and translated into the English language. In every instance however, the Greek text will prevail.

Interested parties may collect offer memorandum and receive other information from Mr. Gerassimos Christopoulos and Mr. Vassos Arvanitidis, 43 Parnepoliou str., 105 64 Athens, tel. nos: 326.6115 and 326.6116, fax no: 326.6118.

## Women's pay catching up



Women are fast catching up with men on pay, says research from the Centre for Economic Performance at the London School of Economics. It says the hourly earnings of women who work full-time rose from 66 per cent of men's earnings in 1974 to 80 per cent in 1992. While the median hourly earnings of men grew by a third between 1973 and 1993, those of full-time women grew by more than twice as much.

# London Underground's long-standing deficit is turned into surplus

By Charles Batchelor, Transport Correspondent  
The first of what could turn out to be a summer of train drivers' strikes started on London Underground this week.

Transport's budget. A former chairman of P&O European Ferries, Mr Ford says that as a publicly funded organisation London Transport must get on with the people who pay its bills.

Public criticism of the government has stopped and management has continued with the task of maintaining and upgrading a system which has suffered severe neglect. Mr Ford believes his ambitions for London Transport mirror a growing acceptance of the idea that the capital needs a co-ordinated transport plan.

efficiency forms an important strand of Mr Ford's ambitions for London Transport. He believes that the organisation's role should be to act as co-ordinator and regulator of all transport services in the capital - bus, light rail and Underground.

police and 33 London boroughs. Having sold the buses, London Transport's main operational task is running the Underground. If London Transport took over a regulatory role it would almost certainly have to dispose of its Underground operations to avoid inevitable charges that it was favouring its own directly managed part of the transport network. But Mr Ford will not comment on the prospects for a sell-off.

## APPOINTMENTS WANTED

PRODUCT SPECIALIST  
A leading City-based international investment company requires a Product Specialist for the Tax Arbitrage Unit within International Centre Trading (ICT). The position demands a technically competent professional with a knowledge of multiple bond markets and the potential to develop new local markets for the product, who will be responsible for sourcing bonds from within Japan. The ideal candidate will be familiar with a variety of securities documentation and structures and have experience in fixed income advisory roles to Asian clients. Salary c. £27,000. Applicants, aged 25 to 30 and educated to degree standard, should have minimum four years' experience gained in a legal and securities environment, be fluent in Japanese and English and have full knowledge of Japanese and English and have full knowledge of Japanese and US culture.

## Rail chief optimistic despite strikes

Mr Ford was appointed after the man widely expected to take over the job, the then chief executive Alan Watkins, was passed over for criticising government cuts in London

# UK NEWS DIGEST

## Police ban march in N Ireland

Police in Northern Ireland banned a parade by the fiercely Protestant Orange Order which had been planned for the Ormeau Road in Belfast on Sunday. The area suffered violence last year after marchers were allowed to pass through a largely Roman Catholic area.

## Merger activity near peak

Merger activity in the UK is close to a record, says Mr John Bridgeman, director general of fair trading. The Office of Fair Trading considered 473 mergers in 1995, a 24 per cent increase on 1994 and only five fewer than in the record year 1987.

## Labour shifts on pensions

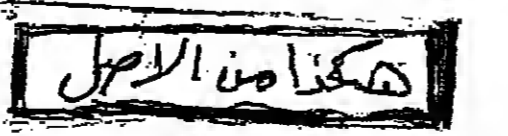
The opposition Labour party has abandoned its commitment to increase the real value of the state pension, marking a clean break with the policy it espoused at the last four general elections.

## Women's pay catching up

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## Russian student stabbed

Detectives investigating the stabbing of a 17-year-old Russian student after England lost to Germany in the Euro 96 soccer semi-final on Wednesday have questioned two men. They were detained last night and questioned before being released on police bail.







COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS Copper sentiment improves

The prospect of normal service being resumed in the London Metal Exchange copper market appeared to be moving closer this week following the disruptions of the Hamanaka era.

The most obvious effect of the massive "long" position built up by the Sumitomo Corporation trader was the squeeze on the availability of copper for immediate delivery.

At one point the cash/three months backwardation exceeded \$300 a tonne, and LMR authorities decided to protect the "shorts" against excessive losses by setting a limit to the cost of carrying positions over for one day.

In the nervous period that followed the revelation of the scale of Sumitomo's losses the backwardation remained high, ending last week at \$39 a tonne.

was time to take their profits - or cut their losses - and while the three months price began to rally the backwardation faded.

Most analysts were looking for further modest price gains as the copper market sustained a "corrective bounce", though many thought new falls would follow as expectations of a growing supply surplus for the metal were reasserted.

At the London Bullion Market, meanwhile, gold traders were becoming increasingly nervous about the prospect of the International Monetary Fund selling some of its holdings of the precious metal to fund aid to poor countries.

The price ended just above an \$4-month low reached during the day after a communique issued at the end of a Group of Seven meeting in Lyon stopped short of giving direct endorsement to the idea.

In a Sky Television interview Britain's chancellor of the exchequer, Mr Kenneth Clarke, seemed in no doubt that the plan would go forward. "The world gold does not appear in the communique," he said, "but all of us know perfectly well that the policy described in the communique is going to involve selling gold, investing it and using the return... to give the extra subsidy to the poorer countries."

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Metal, Price, Change, High, Low, Vol. Includes Aluminum, Copper, Lead, Nickel, Zinc, Tin.

Table with columns: Metal, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

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Table with columns: Metal, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

Table with columns: Metal, Price, Change, High, Low, Vol. Includes Lead, Zinc, Tin, Nickel, Copper, Aluminum.

Precious Metals continued

GOLD COMEX (100 Troy oz; \$/troy oz)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Gold, Silver, Platinum, Palladium.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Lead, Zinc, Tin, Nickel, Copper, Aluminum.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

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Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

GRAINS AND OIL SEEDS

WHEAT LCE (\$/bushel)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Wheat, Corn, Soybeans, Cotton.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Lead, Zinc, Tin, Nickel, Copper, Aluminum.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Lead, Zinc, Tin, Nickel, Copper, Aluminum.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

SOFTS

COFFEE LCE (\$/cwt)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Coffee, Cocoa, Sugar.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Lead, Zinc, Tin, Nickel, Copper, Aluminum.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

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Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

MEAT AND LIVESTOCK

LIVE CATTLE CME (100,000 lbs; cents/lb)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cattle, Hogs, Pigs.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Lead, Zinc, Tin, Nickel, Copper, Aluminum.

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WORLD BOND PRICES

MARKET REPORT

By Lisa Branstetter in New York and Conner Middelmann in London. Rising hopes that the Federal Reserve would not raise interest rates this summer led to a second day of gains on the US Treasury market that sent the yield on the two-year note to its lowest level since late May.

Near midday, the two-year note had risen 1/8 to 10 1/8% from 10 1/4% the day before. The yield on the two-year paper had not dipped below 6.1 per cent since May 28. At the long end, the yield on the benchmark 30-year bond, which moved below 7 per cent in late trading on Thursday, fell to 6.96 per cent as the long bond gained 1/4 at 8 1/2%.

The September 30-year bond future climbed a full point to 109 1/2. The two-year to 30-year yield curve steepened by 3 basis points to 81 basis points. The market was buoyed by relatively weak data - and by press reports that sources close to Fed chairman Mr Alan Greenspan were saying he was not anxious to slow the economy by raising interest rates.

Table with columns: Country, Coupon, Maturity, Price, Change, Yield, Month, Year. Includes Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilt, US Treasury.

MARGINED CURRENCY DEALING Laurion. Table with columns: Country, Coupon, Maturity, Price, Change, Yield, Month, Year. Includes Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilt, US Treasury.

US INTEREST RATES

Table with columns: Rate, One month, Two month, Three month, Six month, One year, Two year, Three year, Five year, Ten year, Thirty year.

BOND FUTURES AND OPTIONS

FRANCE

Table with columns: Date, Price, Change, High, Low, Vol. Includes French Bond Futures.

GERMANY

Table with columns: Date, Price, Change, High, Low, Vol. Includes German Bond Futures.

UK

Table with columns: Date, Price, Change, High, Low, Vol. Includes UK Bond Futures.

ITALY

Table with columns: Date, Price, Change, High, Low, Vol. Includes Italian Bond Futures.

SPAIN

Table with columns: Date, Price, Change, High, Low, Vol. Includes Spanish Bond Futures.

EURO BOND FUTURES (MATR) EUR100,000

Table with columns: Date, Price, Change, High, Low, Vol. Includes Euro Bond Futures.

LONG TERM FRENCH BOND OPTIONS (MATR)

Table with columns: Strike, Price, Change, High, Low, Vol. Includes French Bond Options.

NOTIONAL GERMAN BOND FUTURES (LFFE) DM250,000 100ths of 100%

Table with columns: Date, Price, Change, High, Low, Vol. Includes German Bond Futures.

NOTIONAL ITALIAN GOVT. BOND (BTF) FUTURES (LFFE) Lit 200m 100ths of 100%

Table with columns: Date, Price, Change, High, Low, Vol. Includes Italian Bond Futures.

ITALIAN GOVT. BOND (BTF) FUTURES OPTIONS (LFFE) Lit200m 100ths of 100%

Table with columns: Strike, Price, Change, High, Low, Vol. Includes Italian Bond Options.

NOTIONAL SPANISH BOND FUTURES (BFFF)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Spanish Bond Futures.

LONG GILT FUTURES OPTIONS (LFFE) £50,000 64ths of 100%

Table with columns: Strike, Price, Change, High, Low, Vol. Includes Gilt Futures Options.

EURO BOND FUTURES (MATR) EUR100,000

Table with columns: Date, Price, Change, High, Low, Vol. Includes Euro Bond Futures.

FT-ACTUARIES FIXED INTEREST INDICES

Table with columns: Index, Price, Change, High, Low, Vol. Includes FT-Actuaries Fixed Interest Indices.

FT FIXED INTEREST INDICES

Table with columns: Index, Price, Change, High, Low, Vol. Includes FT Fixed Interest Indices.

UK GILTS PRICES

Table with columns: Maturity, Price, Change, High, Low, Vol. Includes UK Gilt Prices.

US TREASURY BOND FUTURES (CST) \$100,000 32nds of 100%

Table with columns: Date, Price, Change, High, Low, Vol. Includes US Treasury Bond Futures.

NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LFFE) ¥100m 100ths of 100%

Table with columns: Date, Price, Change, High, Low, Vol. Includes Japanese Bond Futures.

OTHER FIXED INTEREST

Table with columns: Index, Price, Change, High, Low, Vol. Includes Other Fixed Interest.

ACTUARIAL RISK INDICES

Table with columns: Index, Price, Change, High, Low, Vol. Includes Actuarial Risk Indices.

UK GILTS PRICES

Table with columns: Maturity, Price, Change, High, Low, Vol. Includes UK Gilt Prices.

ACTUARIAL RISK INDICES

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COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Saturday June 29 1996

Judging the turnround

Unto everyone that hath shall be given. He that hath not will have to await further discussion. Thus spake the leaders of the seven leading industrialised nations in Lyons yesterday at their annual summer get-together.

They agreed that further measures were needed to help the poorest nations grow out from under their mountains of official debt. And that creditor governments, the World Bank and the International Monetary Fund would all have to work together to provide it.

On this issue the summiters seem to have been broadly happy to quit while they were ahead. They welcomed the "orderly" 22 per cent decline in the trade-weighted yen since spring of last year, and corresponding strengthening of the dollar.

nor of the Bank of Japan. Interest rate movements played a large part in the G7's "victory" in the exchange markets last year. The Japanese official discount rate was cut 1 1/2 percentage points to a record low of 0.5 per cent during the year.

Little evidence

For some months now nearly all the economic news coming out of the US has been positive. The revised figures for growth in GDP released yesterday confirmed that the economy grew at roughly its long-term trend rate in the first quarter.

Such figures might usually be expected to prompt a response from Mr Greenspan at next week's open market committee meeting. An early move would also, incidentally, allow him to put a decent interval between an unpopular interest rate increase and the November presidential election.

Track record

Though the dollar reacted positively to yesterday's events, there were few hints of further concerted action on exchange rates either to push the dollar up higher, or to keep it where it is.

Analysts remain split about whether the US stockmarket is due for a correction, says Tony Jackson. But there is growing anxiety beneath the surface, and the pessimists now outnumber the optimists

WALL ST

Bulls outrun by the bears

To all appearances, these are tranquil times on Wall Street. At just under 5,700, the Dow Jones Industrial Average is less than 100 points short of its peak.

Much of this might be termed modified bearishness. Prevailing wisdom still says the US economy is going through profound structural change, which in turn justifies a fundamental shift in equity values.

The worry is merely that the market is going through a bout of speculative fever, which will produce an opposite if temporary reaction.

At the centre of their case is the belief that the inflationary dragon has indeed been slain. Grant that premise, and a great deal follows. In a low-inflation environment, the cost of capital stays low.

need organisation. In fact, the unionised share of the workforce is half what it was at the start of the 1980s and the incidence of strikes is the lowest for 20 years.

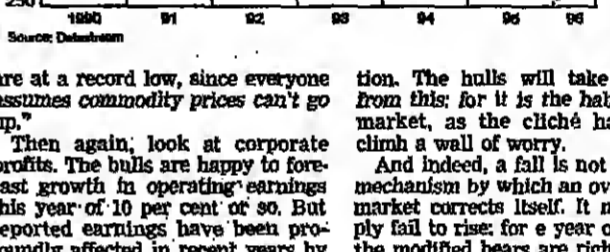
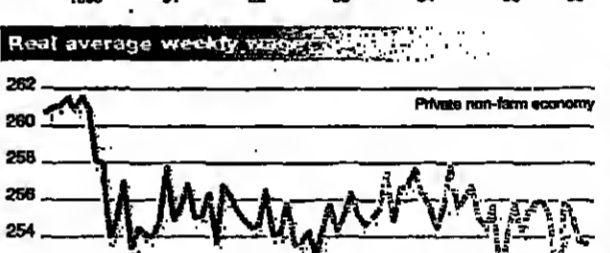
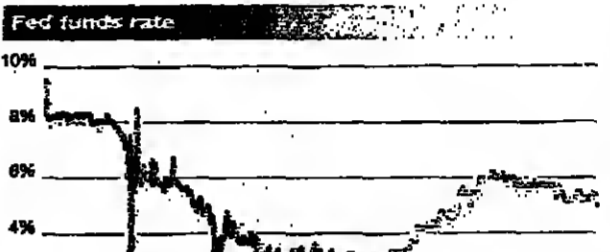
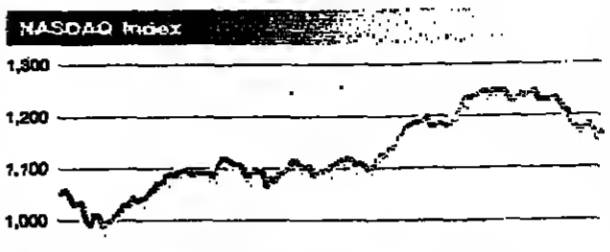
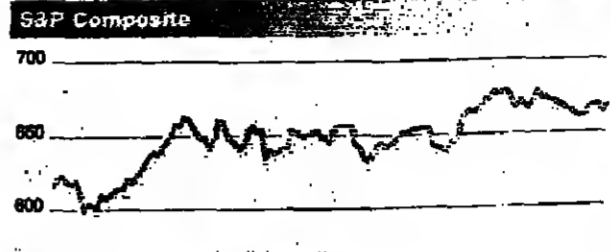
The market is sensitive to suggestions of wage inflation, and the unemployment figures have caused turbulence for several months in a row.

Others have claimed that the ratio of price to the replacement value of corporate assets - the so-called "Q" ratio - is screamingly high. Not if the sums are calculated correctly, Mr Applegate says.

asset class, which seems a trifle imprudent. In proportional terms, the average household has not held so much equities since 1972, or so little cash since 1981.

Finally, he says, consider the following. Last year, new mutual fund money came to \$131bn, and the broad market produced a total return of 38 per cent.

are at a record low, since everyone assumes commodity prices can't go up. Then again, look at corporate profits. The bulls are happy to forecast growth in operating earnings this year of 10 per cent or so.



LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please see fax to "fax"). e-mail: letters.editor@ft.com

Market pressures will force down CAP cost

From Mr Nick Young, Sir, Brian Wolf's "Thinking the unthinkable" (June 18) quotes Professor Patrick Minford's contribution to the debate on UK withdrawal from the EU. Minford's analysis of the trade diversion effects of UK withdrawal is misleading in respect of agricultural policy costs and should not be allowed to pass without comment.

Wasteful example of market failure

From Mr M.G. Thomas, Sir, I join Mr R.G. Lovan (Letters, June 24) in deploring the UK's relatively heavy use of landfill as a means of disposing of waste. I do not, however, share his view that waste recycling is an uneconomic strategy "frittering away European countries' financial resources".

Labour aim is regulatory system that works

From Mr Alastair Darling, Sir, I refer to Joe Rogaly's article "Dodgy dealers and morality" (June 22/23). Mr Rogaly's criticism of the industry is not only inchoate but also naive in selectively quoting from a speech I gave last week. He was critical of our desire to reduce the quantity of City regulation. He quoted from a passage in my speech: "... the best form of compliance will come through real competition where consumers can make informed choices."

Politics of non-cooperation

From Mr Giles Chichester MEP, Sir, Your rather bolter than thou remarks about moving the BSE problems from politics into the realm of veterinary science ("Beef overdone", June 20) seem to ignore the fact that the policy of non-cooperation was provoked by members of the European expert committees playing politics with their decisions in the first place.

A taxing gift

From Mr Mark Dyer, Sir, The gift Dan Wagner (Observer, June 27) made to his fiancé is indeed very touching; if he had waited until after the marriage he would not have left themselves open to actual or potential capital gains tax liabilities on the gift.

Advertisement for Veuve Clicquot Champagne featuring 'ROUND THE ISLAND' and 'ON THE ROCKS' bottles, a list of wine events, and contact information for Mark Dyer, The Dyer Partnership.

Handwritten signature or note at the bottom of the page.



Man in the News • Carlo De Benedetti

# Spanner in engineer's works

Andrew Hill on a business chief struggling for credibility

Until a few years ago, nobody would even have thought of asking whether Mr Carlo De Benedetti was an asset or a liability for Olivetti. But five years of continuing losses at the Italian computer group - of which he is chairman, chief executive and controlling shareholder - and a string of recent setbacks have taken their toll.

Three days ago, Olivetti confirmed rumours that Mr Corrado Passera, the company's chief executive and Mr De Benedetti's closest assistant for the last 11 years, was planning to leave the company.

Whether Mr Passera, 41, is being forced out, as insiders claim, or has simply decided to seek new challenges, as Mr De Benedetti says, is irrelevant. With the premature departure of the joint architect of the group's recovery plan, attention is again focused where Mr De Benedetti likes it to be: on himself.

The problem is that shareholders, analysts and even some employees have begun to wonder whether at 61, L'ingegnere (the engineer) - the swashbuckling financier who successfully transformed Olivetti from typewriter manufacturer into computer-maker - has lost his touch.

If he has, Mr De Benedetti will be the last to admit it. He still takes a showman's pleasure in confounding his critics. Last autumn, for example,

most observers expected Olivetti to end in the arms of the underwriters, when Mr De Benedetti asked shareholders to sign up to a L.2.257bn (3950m) rights issue aimed at transforming the company into a broad-based information technology and telecoms group. Advisers tried to dissuade him from taking part in the subsequent investment roadshow, fearing his presence might be counterproductive. They later admitted it was Mr De Benedetti's performance which helped swing investors, particularly in the US, in favour of the issue.

Within days of announcing the successful conclusion of the capital increase, however, news seeped out that the group's 1995 restructuring costs were higher than originally expected. The shares dropped sharply to below the price just paid by the fund managers charmed by Mr De Benedetti.

Disgruntled investors and analysts say the episode is typical of the way in which Mr De Benedetti has, over the last few years, papered over the cracks in Olivetti's credibility with his own charisma.

As the credibility gap has widened with his repeated forecasts of better days that never come, this feat has become more difficult to achieve. Although they backed the Olivetti issue, bankers did not have enough confidence in the De Benedetti factor to underwrite parallel rights issues at Cofide and Cir, the two quoted holding companies through which his family controls Olivetti. Cir's stake in Olivetti was diluted to 15 per cent of the computer group, and Mr De Benedetti was obliged to proclaim that Olivetti had become "Italy's first real public company", with a diffuse shareholder register.

This is a far cry from the late 1980s when Mr De Benedetti was the most prominent representative of a new-style Italian capitalism. He was the outsider bent on breaking open the closed circle dominated by Fiat, the automotive and industrial company, and Mediobanca, the secretive Milan merchant bank. Some traced this anti-establishment attitude back to the De Benedetti family's Jewish origins, which forced them to flee from fascism during the war.

In the space of a decade he masterminded a series of audacious investments - market raids of the sort Italy had never seen before - starting with the purchase of a minority stake in Olivetti in 1978.

The acquisition spree culminated in 1988 with his unsuccessful bid for Société Générale de Belgique, the Belgian establishment's holding company, by which time he had built a reputation as an expert dealmaker and financial engineer.

In the process, Mr De Benedetti acquired all the trappings of Italian business success - a yacht, private jet and a newspaper (La Repubblica). And although the rivalry with Fiat remained, he was co-opted into the business establishment he had once despised.

The election of a centre-left government in April, supported by the entrepreneur and his publications, should have marked the climax of that process of acceptance. Instead, the crowning glory of Mr De Benedetti's political allies has found the entrepreneur at his lowest point in the last two decades, fighting to preserve his reputation.

Earlier this month, an appeals court reduced but did not overturn a jail sentence for Mr De Benedetti in connection with his role in the collapse of Banco Ambrosiano in 1982. The Olivetti chairman is appealing against the "unjust and unjustified" ruling.

The day after he resigned from the executive committee of Confindustria, the Italian employers' federation, a post he had held for 23 years, in the wake of pointed comments by the federation's new president about committee members' ethical obligations, Mr De Benedetti perhaps expected the resignation to be turned down by his fellow industrialists, but it was quietly accepted.

Meanwhile Olivetti is still struggling to prove that it is on the mend. Mr De Benedetti says the success of the rights issue and the challenge of transforming the company again have rejuvenated him. He claims the sifting personal computer business (entrusted to Mr Passera in January) is now breaking even.

But insiders say Mr De Benedetti now seems to reserve his real enthusiasm

not for the nitty-gritty business of running the company but for international issues. He has become a sort of roving ambassador for the "information society" and is on the international council of J.P. Morgan, the US investment bank.

Meanwhile, he rules the company in an increasingly autocratic fashion. One employee says working for Olivetti is now "like being in Dallas or The Bold and The Beautiful. It's a daily soap opera: is he going to like this person or hate him? Is he going to do this or do that?"

Some observers believe Mr De Benedetti could still shape a new Olivetti, but to restore the confidence of investors, he may need to renounce the power he has accumulated over the last 30 years. "If there's still time, he could choose to be a sort of non-executive chairman - where he can use his international and political contacts - and call in a top manager from outside, someone really tough, to take the company in hand," says one former Olivetti executive.

Such a solution might suit a man who is thought by many to have lost his old appetite for the business and would prefer to spend more time with his family. "He now likes playing the grandfather," says another former Olivetti employee. In spite of all his travails, Mr De Benedetti is, after all, a man who likes to be liked.



England lost a Euro 96 match but won a commercial victory, say Patrick Harverson and Jimmy Burns

# When football came good

"Everyone seems to know the score... They're so sure that England's going to throw it away, going to blow it away... Thirty years of hurt never stopped me dreaming... football's coming home."

And so it did. For the 1000 English football fans who sang the words to *Three Lions* - the unofficial anthem of Euro 96 - at Wembley on Wednesday night, the European football championship brought football home to England in some style.

Many feared otherwise. The recent history of English football has been marked by rampant hooliganism, which contributed to the deaths of innocent spectators at the Heysel stadium in Brussels in 1985. The decrepit state of its stadiums was symbolised by the disaster at the Hillsborough stadium in Sheffield in 1989 when 96 fans died. And the national team's recent record on the pitch was disastrous.

Yet the Football Association and UEFA, the sport's governing body in Europe, have been delighted with the progress of the three-week tournament. England's departure in a semi-final penalty shootout may have robbed the story of a compelling climax. Tomorrow's clash between Germany and the uninvited Czech Republic is not the glamorous final between two top teams the organisers might have wished. But there is little doubt Euro 96 has been a success.

Before the event, the organisers' biggest fear was that the Euro 96 cities would become a

battleground between England's notorious hooligans and their equivalents from Holland, Germany and Scotland.

There was some sporadic violence in London's Trafalgar Square and other towns after England's defeat on Wednesday night. But thanks to advance planning and tough policing, football hooliganism was largely absent at the eight stadiums hosting the matches. An unprecedented level of international co-operation on intelligence gathering, a generally well-controlled ticket sales system and expensive seating contributed to the decision of continental and English toughs to stay at home.

"What we set ourselves as a target was to stop a minority of hooligans from disrupting the holding and enjoyment of Euro 96," says Mr Mike Cobb of the Metropolitan Police. "I think we can claim to have achieved that."

The tournament has clearly been a success in commercial terms. It is expected to generate £150m of revenues from ticket sales, television rights and corporate sponsorship, the bulk of which will go to UEFA.

And the tournament's corporate backers, which have spent at least another £100m on advertising to promote their association with the event, have been delighted by the success of the England team in reaching the semi-finals.

England's progression to the semi-finals boosted retail sales of Euro 96 merchandise,



according to Licensed Properties International, the London-based company handling the licensing of Euro 96 products. Though sales have plummeted since England's defeat on Wednesday, they are expected to reach about £80m by the event's close tomorrow night.

The government has left most of the event's costs to the football associations, local authorities and the private sector but Deloitte & Touche, the accountancy firm, estimates the exchequer will gain more than £60m in taxes from Euro 96 - a handsome return on an investment of a few tens of thousands of pounds.

However the tournament has had its problems. On the pitch, the low quality of many of the games - an average of only 2.03 goals per game was the second lowest in any European or world championship - has been a poor advertisement for the sport.

"The football has been generally unimaginative, and lacking individual creativity," says Mr Jorge Valdano, the former Argentine international and Real Madrid manager who reported on Euro 96 for SER, the Spanish national radio station. "I call it industrial football, players on a conveyor belt, just trying to survive."

England was one of the few teams that played occasionally as if they wanted to win - perhaps because they had to.

Off the pitch, the biggest disappointment has been the poor crowds at many games. The FA says more than 1.2m of the 1.4m tickets were sold but the swathes of empty seats at many stadiums - especially the Manchester semi-final between France and the Czech Republic - suggested otherwise.

FA officials privately blame the empty seats on foreign football federations that ordered thousands of tickets on behalf of their supporters but failed to sell them.

Fewer foreign fans chose to follow their teams to England than were expected.

In Newcastle, for example, the number of overseas visitors staying was less than the hoped-for 30,000. Mr Ian Parkinson, head of marketing services at the Northumbria Tourist Board, says there had perhaps been "a bit too much hype" in predicting numbers.

Even so local people turned out enthusiastically for Euro 96, the city's 550,000 festival organisers to coincide with the games at St James' Park.

Mr Parkinson, a representative of the English regional tourist boards on the national Euro 96 co-ordinating committee, believes the tournament has brought other benefits for the tourism industry.

"It's been a huge benefit to just from the people coming to

the tournament but the good-will and profile established for the country. The scenes at Wembley of the good-natured crowd enjoying good football will have done a power of good.

Officials in Birmingham estimate the football championships have earned the city at least £15m in revenues from the hotel, food and travel sectors. "The hotels, pubs and taxi drivers have made a killing," says Mrs Brenda Newton, a member of the city council's leisure committee. "It has also been fabulous for Birmingham people, who have joined in the city centre celebrations. Even the little old ladies who would normally say football fans are horrible were joining in the fun."

With football coming home, the FA has managed to emerge from the tournament boldly predicting that England can put in a strong bid for the 2005 football World Cup. That however will depend as much on the tortuous machinations of FIFA, world football's governing body, as on the UK government's ability to commit itself to the investment such an enterprise would entail.

Nevertheless the unveiling this week of Sir Norman Foster's bold plans for a new Wembley stadium is a symbol of optimism. As Andrew Wallace, a Euro 96 official, put it yesterday: "After the disasters of Hillsborough and Heysel, we hope we have achieved what we set out to achieve: the rehabilitation of football."

Additional reporting by Chris Tjhe and Richard Wolfe

# A blitz that risks burnt fingers

Roderick Oram on a controversial tobacco advertising campaign

Inhaling another person's cigarette smoke is healthier for you than eating biscuits or drinking water. That is the message that many have seen in the pan-European advertising blitz by Philip Morris, US maker of Marlboro cigarettes.

The company is arguing that cancer risks from passive smoking are statistically insignificant, smaller even than "risks" such as the danger of suffering heart disease as a result of eating one biscuit a day.

But the advertisements have produced a storm of protest from health ministers. EU commissioners, the anti-smoking lobby and French, Belgian and British backers. Even the newspapers that carry the advertisements have incurred the wrath of angry readers.

"My father died in my arms six months ago of lung cancer caused by cigarettes," one wrote to the FT. "When I see Philip Morris's regular advertisements, and the tone of such advertisements, in your otherwise so credible paper, I see red."

"We're absolutely astonished and delighted with the level of discussion," says Mr David Greenberg, director of corporate affairs for Philip Morris Europe.

The company believes passive smoking is a social problem, not a health risk. It hopes to encourage smokers and non-smokers to coexist considerately rather than let governments dictate where and when people can smoke.

Philip Morris says the anti-smoking lobby has distorted the debate by claiming passive smoking increases your chance of developing cancer. It funded a panel of independent scientists to review 40 studies of the issue over recent years; they found no relevant correlation in any of them.

The company refuses to say what it will spend on its six-week advertising blitz in newspapers and magazines in nine European countries. In the UK, industry estimates are that it is spending about £1m. So far, it has encouraged just 2,500 people in all nine countries to write in for details of the argument.

The campaign ended prematurely in France after a court blocked the ads pending a hearing on the bakers' complaint. The company also stopped them in the Netherlands, where they had been attacked by the health minister. It denies the attack was the reason for withdrawal - the ads had achieved their desired effect so "we are marshalling our resources".

Health bodies are furious with Philip Morris for singling out cancer as the only issue in passive smoking. "Smokers only inhale 15 per cent of their cigarettes' smoke," said the British Medical Association. "The rest is in the air, which equals a helluva lot of toxins. The real cost of passive smoking is not lung cancer but the effect on children



and people with asthma." Critics also say the ads' logic is flawed. Eating a biscuit is a risk consumers choose to take; many people have no choice about breathing another person's smoke. Moreover, the only risk in passive biscuit eating or water drinking is attack by a famished or parched maniac, as one anti-smoking lobbyist joked.

The ads are the latest in a campaign launched in Europe a year ago by Philip Morris. It says its intent is to stimulate debate on smoking and to counter the massive weight of the anti-smoking lobby. Other tobacco companies usually join in only when it is clear there is no business risk.

"As the leader in the world, sometimes the burden falls on the leader to take action," Mr Greenberg said launching the ads in London this month.

The company is also funding pollsters who tell UK smokers what they pay in tobacco taxes and ask their opinion. Some 80,000 smokers so far have sent protest cards supplied by the pollsters to more than 530 MPs. Other manufacturing and trade association members of "the tobacco family", primed by Philip Morris, are conducting similar campaigns in Belgium, Italy, France and the Netherlands.

"As hard as they try, Philip Morris and the tobacco industry can't get a positive press because smoking is so emotional. Their campaigns try to redress the balance," says a media adviser who until recently had helped the industry fight attempted advertising bans across Europe.

"They feel the secondary cancer issue is getting out of hand in the US where the industry is on a biting to nothing. In Europe, they are talking a crisis management position on the issue rather than passive. Public opinion is so important, they have to create a rolling impression that turns into reality."

It is a high-risk strategy. After years when the industry refused to acknowledge smoking's health hazards, there is a wide public perception that tobacco companies are "untruthful, lying and deceitful", says the media specialist.

"There's a real risk that anything signed by Philip Morris will have a lot less credibility than by anybody else. That's their nightmare."

# A Shakespearean revival on London's south bank

The reconstruction of the Globe theatre is the first stage in a mile-long riverbank renaissance, Antony Thorncroft says

On the south bank of the Thames, just upstream from Southwark Bridge and the Financial Times office, the past has materialised. The Globe, as exact a replica of William Shakespeare's late-16th-century playhouse as 20th-century expertise can achieve, is ready to admit its first audience in almost four centuries.

The first tickets have been sold, the actors start rehearsals next week and a short prologue season of Shakespeare's *Two Gentlemen of Verona* opens on August 21. A full season is planned for next summer.

"We are now financially stable and next year we will be a £2m business, visited by 400,000 people," says Mr Michael Holden, the theatre's chief executive.

The Globe was the dream of Sam Wanamaker, the American actor who devoted most of his energy to the project for several decades, but who died in 1983 just before its success was assured. It has cost more than £26m, including £12.4m from the National Lottery. Another £8.5m is needed to complete the educational exhibition centre.

But the emergence of the Globe on a neglected stretch of London's south bank is not just the fulfilment of one man's personal obsession. It is the first in a series of developments which will make this mile-long stretch of the Thames one of London's main cultural and tourist attractions.

The Globe is overshadowed by the disused Bankside power station, the second-largest brick building in

Britain, designed by the architect Sir Giles Gilbert Scott. It is being converted - at a cost of £100m - into the Tate Gallery of Modern Art.

Barely 100m further to the west is a remnant of the old Blackfriars railway bridge, which the Institute of Contemporary Arts has earmarked as the site of a new home when it moves out of its elegant Nash premises close to Buckingham Palace.

The existing south bank arts complex, grouped around the Royal Festival Hall, is half a mile beyond. Developed since the 1951 Festival of Britain, it includes the Royal National Theatre, which is planning a £20m redevelopment to soften the lines of Sir Denys Lasdun's brutalist building.

The South Bank Centre, which administers the complex, wants to spend £170m to refurbish the buildings around Waterloo and Hungerford bridges, covering them with a crystal canopy designed by Sir Richard Rogers, the architect behind the Pompidou Centre in Paris.

Finally, Shell's Downstream Building is being converted into a home for Trinity College of Music and a base for many of London's orchestras and musical institutions.

Many of these plans depend on National Lottery cash. To qualify, they must convince the lottery boards of the merit of their projects and raise 25 per cent of the cost themselves.

The South Bank Centre has asked for £127m, the largest request for money from the lottery's arts fund.

Best placed is the Tate Gallery of Modern Art, which has already been

promised £50m by the Millennium Commission. However as one of the dozen "landmark" projects selected to mark 2000, it must raise a matching sum. The task has proved harder than expected - just £15m has been collected so far - but the Tate is well-placed to raise the rest.

The Royal National Theatre, with a good artistic reputation and a record of financial success, should also achieve its £10m appeal. But the other proposals face a more uncertain future, with business in particular proving reluctant to provide partnership funding for lottery projects.

This week the Arts Council discussed for the first time the South Bank Centre request, and said yesterday it favoured a more modest plan. It has advanced £1.2m for further development work but expects to see the request for help closer to £80m when it is resubmitted next year.

The breathing space will allow the recently launched South Bank Foundation, led by Mr Elliott Bernard, the property developer, to raise more partnership funding. It might also allow Mrs Virginia Bottomley, the heritage minister, to loosen the guidelines on distributing lottery money. Initially it could only go towards capital projects. If the lottery boards could contribute to stabilisation funds - endowments to cover running costs - this might reduce the need to raise so much from the private sector.

The government could justify more flexible guidelines by stressing the economic advantages of cultural developments. This is especially true



Global ambitions: Reconstruction of Shakespeare's theatre is almost complete

on the south bank, where the boroughs of Southwark and Lambeth are among the poorest in London.

The Tate was quick to make the economic case for siting its gallery on Bankside. Its projections, produced by McKinsey, the consultants, suggest that up to 1,000 jobs could eventually be created in Southwark, and that the 2m-plus expected visitors would spend £25m a year in the borough.

The Tate can point to the success of its satellite museum in St Ives in Cornwall, which opened three years ago. Expected to attract up to 80,000 visitors a year, it is visited by more than 180,000, mostly from outside Cornwall. The Cornish economy is reckoned to have expanded by 2 per cent through the opening of the museum, according to Mr Sandy Nairn, the Tate's development director.

Glasgow has transformed its image with the Burrell art gallery, a new concert hall, a recently opened

museum of modern art and a proposed museum of Scottish art. Other UK cities to have used cultural institutions as a focus for regeneration include Birmingham, which built its Symphony Hall, Bradford, with the Museum of Photography, Leeds, where the Royal Armouries have been located, and Manchester, with a concert hall opening this autumn. The Liverpool Tate, opened in 1988, has also been a magnet for tourists.

The first signs of regeneration are visible around Shakespeare's Globe. A contemporary art gallery, Purdy Hicks, opened around the corner this week, a café has appeared opposite, adjacent shops, quiet for years, have found tenants and an empty Victorian office block in nearby Southwark Street is being converted into a hotel.

The vision of Sam Wanamaker and the arrival of the National Lottery have combined to return London's long-neglected south bank to its 16th-century role as the entertainment and leisure centre of the capital.

CURRENCIES AND MONEY

MARKETS REPORT

Yen weakens

By Philip Gawth

Foreign exchange markets had a well balanced day yesterday... Yen weakens from 85.9 on Thursday. Against the dollar it closed at \$1.5583...

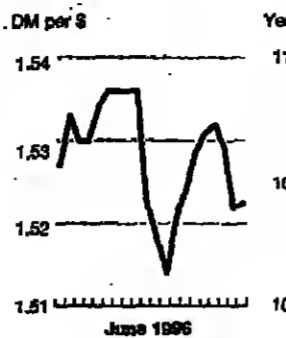
Table with columns: Jun 20, Last, Prev. Close, % Change. Rows for Yen, Pound, Swiss Franc.

The G-7's comment on exchange rates was: "We welcome the broad movements in the major currencies since April 1995. These are positive and promising developments."

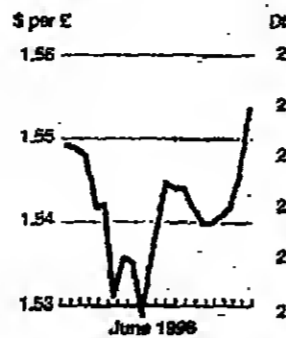
POUND SPOT FORWARD AGAINST THE POUND

Table showing Pound Spot Forward Against the Pound with columns for currency, rate, and bank.

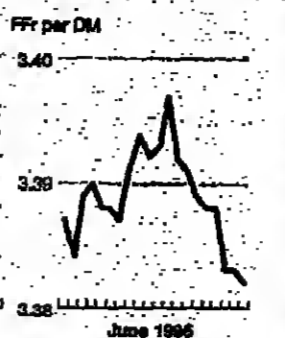
Dollar



Sterling



D-Mark



By officials. One US official said G7 leaders did not discuss whether further currency moves were needed...

to comment on exchange rates, "we made sure it meant something." If there is a key word in the current statement, it is obviously "promising"...

WORLD INTEREST RATES

Table of World Interest Rates with columns for country, rate, and bank.

EURO CURRENCY INTEREST RATES

Table of Euro Currency Interest Rates with columns for currency, rate, and bank.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot Forward Against the Dollar with columns for currency, rate, and bank.

CROSS RATES AND DERIVATIVES

Table of Cross Rates and Derivatives with columns for currency, rate, and bank.

EMS EUROPEAN CURRENCY UNIT RATES

Table of EMS European Currency Unit Rates with columns for currency, rate, and bank.

THREE MONTH LIBOR FUTURES (MATS)

Table of Three Month LIBOR Futures (MATS) with columns for date, rate, and bank.

THREE MONTH EURODMARK FUTURES (LIFE)

Table of Three Month EuroDMark Futures (LIFE) with columns for date, rate, and bank.

UK INTEREST RATES

Table of UK Interest Rates with columns for rate, bank, and term.

THREE MONTH STERLING FUTURES (LIFE)

Table of Three Month Sterling Futures (LIFE) with columns for date, rate, and bank.

BASE LENDING RATES

Table of Base Lending Rates with columns for bank and rate.

EURODMARK OPTIONS (LIFE)

Table of EuroDMark Options (LIFE) with columns for date, rate, and bank.

LONDON MONEY RATES

Table of London Money Rates with columns for rate, bank, and term.

SHORT TERM STERLING OPTIONS (LIFE)

Table of Short Term Sterling Options (LIFE) with columns for date, rate, and bank.

PHILADELPHIA SIX SIXES OPTIONS (C)

Table of Philadelphia Six Sixes Options (C) with columns for date, rate, and bank.

OTHER CURRENCIES

Table of Other Currencies with columns for currency, rate, and bank.

Advertisement for Knight-Ridder's Futures Market Data from S370.

Advertisement for Marginal Foreign Exchange Trading.

Advertisement for FAST 64 KBIT SATELLITE TECHNOLOGY.

Advertisement for KLEINWORT BENSON SELECT FUND.

Advertisement for Petroleum Argus Daily Oil Price Reports.

Advertisement for Futures and Options Trading.

Advertisement for SHARE SENTRY.

Advertisement for FT GUIDE TO WORLD CURRENCIES.





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Table of FT Cityline Unit Trust Prices, including columns for fund name, price, and change.

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FOR THE BEST RETURN ON YOUR MONEY, COME AND SHARE OUR HOSPITALITY. All the business facilities and all the comfort you'd expect from a quality hotel...

Money Market Trust Funds table with columns for fund name, price, and change.

Money Market Bank Accounts table with columns for bank name, account type, and interest rate.

MANAGEMENT SERVICES

Table of Management Services, including columns for service name, price, and contact information.

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FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Table with multiple columns listing fund names, codes, and prices. Includes sections for 'Credit Investment Funds - Contd.' and 'Credit Investment Funds - Contd.'.

Table with multiple columns listing fund names, codes, and prices. Includes sections for 'NICAM Asia Pacific Underwrite Fund' and 'Credit Investment Funds - Contd.'.

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OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

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NORTH AMERICA

UNITED STATES (Jun 29 / US\$)

Table listing US stock market data including S&P 500, Dow Jones, and various sector indices with columns for High, Low, and Change.

CANADA (Jun 29 / Can. \$)

Table listing Canadian stock market data including the TSX 300 index and various sector indices.

MEXICO (Jun 29 / Mex. \$)

Table listing Mexican stock market data including the IPC index.

BRAZIL (Jun 29 / Real)

Table listing Brazilian stock market data including the Ibovespa index.

ARGENTINA (Jun 29 / Pesos)

Table listing Argentine stock market data including the Merval index.

CHILE (Jun 29 / Chilean \$)

Table listing Chilean stock market data including the IPSA index.

PERU (Jun 29 / Nuevos Soles)

Table listing Peruvian stock market data including the IGV index.

VENEZUELA (Jun 29 / Bolivars)

Table listing Venezuelan stock market data including the IPC index.

COLOMBIA (Jun 29 / Colombian \$)

Table listing Colombian stock market data including the IBEX index.

EUROPE

UNITED KINGDOM (Jun 29 / £)

Table listing UK stock market data including the FTSE 100 index.

FRANCE (Jun 29 / Fr. F)

Table listing French stock market data including the CAC 40 index.

GERMANY (Jun 29 / DM)

Table listing German stock market data including the DAX index.

ITALY (Jun 29 / Lit)

Table listing Italian stock market data including the FTSE MIB index.

SPAIN (Jun 29 / Ptas)

Table listing Spanish stock market data including the IBEX 35 index.

NETHERLANDS (Jun 29 / Gld)

Table listing Dutch stock market data including the AEX index.

Advertisement for Peregrine featuring an eagle and the text 'Asia - Buy, Sell or Hold? Speak to Peregrine, the leader in Asian equities, derivatives, country funds, fixed income securities and GDR's.'

AFRICA

AFRICA (Jun 29 / Rand)

Table listing African stock market data including the JSE Top 100 index.

INDONESIA (Jun 29 / Rp)

Table listing Indonesian stock market data including the IHSG index.

PHILIPPINES (Jun 29 / ₱)

Table listing Philippine stock market data including the PSE index.

THAILAND (Jun 29 / Baht)

Table listing Thai stock market data including the SET index.

VIETNAM (Jun 29 / Dong)

Table listing Vietnamese stock market data including the HNX index.

INDONESIA (Jun 29 / Rp)

Table listing Indonesian stock market data including the IHSG index.

INDICES

Table listing various international stock indices such as Nikkei, Hang Seng, and others.

US INDICES

Table listing US market indices including Dow Jones, S&P 500, and various sector indices.

SOUTH AFRICA (Jun 29 / Rand)

Table listing South African stock market data including the JSE Top 100 index.

ASIA

Table listing Asian stock market data including indices from Japan, Korea, and others.

PACIFIC

Table listing Pacific stock market data including indices from Australia and New Zealand.

NEW YORK ACTIVE STOCKS

Table listing active stocks in New York with columns for stock name, price, and change.

NEW YORK ACTIVE BONDS

Table listing active bonds in New York with columns for bond name, price, and yield.

NEW YORK ACTIVE FUTURES

Table listing active futures in New York with columns for contract name, price, and change.

NEW YORK ACTIVE COMMODITIES

Table listing active commodities in New York with columns for commodity name, price, and change.

INDEX FUTURES

Table listing index futures contracts and their prices.

INDEX OPTIONS

Table listing index options contracts and their prices.

INDEX SPREADS

Table listing index spread contracts and their prices.

INDEX STRIPS

Table listing index strip contracts and their prices.

INDEX WARRANTS

Table listing index warrant contracts and their prices.

INDEX SWAPS

Table listing index swap contracts and their prices.

INDEX ANNUITIES

Table listing index annuity contracts and their prices.

INDEX BONDS

Table listing index bond contracts and their prices.

INDEX EQUITIES

Table listing index equity contracts and their prices.

Footnote text providing additional information and disclaimers regarding the data and services provided.



AMERICA

Techs rebound again as bonds support Dow

Wall Street

US shares moved higher at midsession as bond prices jumped and technology shares rebounded for a second day...

By early afternoon, the Nasdaq composite was 18.38 stronger at 1,322.39, recovering some of the loss of nearly 100 points it had sustained since hitting a high of 1,494.18 on June 5...

Rising computer-related shares included Dell Computers, 2 1/2% stronger at 50 1/2, Intuit, up 2 1/2% at 47 1/2, Sun Microsystems, which was 1 1/2% stronger at 85 1/2 and America Online, up 1 1/4% at 45 1/2.

Internet-related shares were also mostly stronger, with the American Stock Exchange Internet index up 2.1 per cent. Spyglass added 1 1/4% at 20 1/2, Cybercash was 5 1/4% stronger at 2 1/2 and Yahoo! climbed 1 1/4% to 20.

Hopes that the Federal Reserve would not move to slow the economy by raising interest rates at next week's meeting of its Open Market Committee helped the bond market...

In individual shares, HFS climbed 2 1/4% or 4 per cent to 36 1/2 on rumours that the hotel and real estate company would buy Avis, the US car rental company.

Planet Hollywood shares jumped 4 1/2% or 18 per cent to 3 1/2% on news that it had entered into a joint venture with ITT to develop casinos in Las Vegas and Atlantic City. Shares in ITT gained 1/4% at 66 1/2.

Prospects clouded by US interest rate outlook

Philip Coggan, Markets Editor, reviews the first six months, and prospects for the second half of 1996

Equity investors have enjoyed a positive start to 1996, the FT S&P World Index gaining more than 5 per cent in dollar terms in the first half. But with many analysts expecting the next move in interest rates to be up in the US, Japan and Germany, the second half of the year may present a more difficult environment for investors.

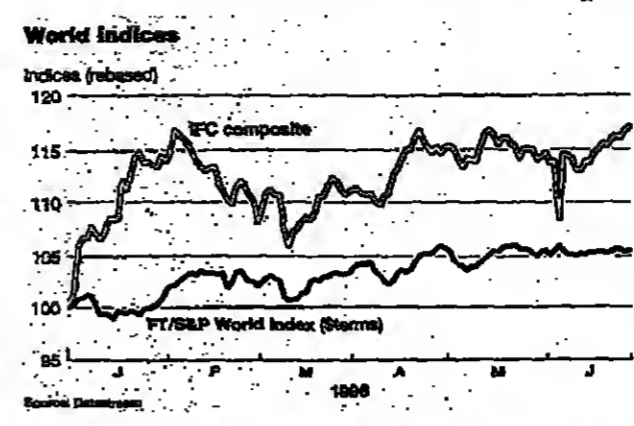
Corporate earnings should be rising, as previous interest rate cuts in the leading industrialised countries start to feed through into more rapid economic activity.

Mr Jonathan Francis, head of global strategy at Putnam Investment Management in Boston, expects to see a coordinated strengthening of economic growth in the second half, with further above trend expansion in the US, a rebound for Europe and continued growth in the moderate but in the first quarter expansion in Japan.

High technology equities rebounded from Thursday's drop, Northern Telecom leading the way with a rise of 0.81% to 37.80.

Over the first six months of 1996, the Dax 30 showed a gain of 13.6 per cent, but most of that was concentrated in the first quarter, said Mr Eckhardt.

Medium-sized companies with strong investment themes were leading the pack, said Mr Frank.



global portfolio. "Wall Street may reach 6,000 but the closer it gets to that level, the less I want to own it," he says. "If Wall Street does fall then everything else suffers, although Japan may be a defensive play as the least correlated to the US of the major markets."

Also unenthusiastic about Wall Street is Mr Mark Brown, head of strategy and economics at ABN-Amro Hoare Govett. He says that the rise in bond yields from 6.5 per cent to 7 per cent has put a check on the equity market.

Among insurers, Swiss Re advanced SF115 to SF1225 and Zurich Insurance was SF72 up at SF341.

Bank Baer recommended both on the view that the shares were undervalued while ABN-Amro Hoare Govett upgraded Zurich Insurance.

Shares in Nokia-Mallat Holding, controlled by Finland's Nokia, soared SF46 to SF326 after the company reported an upturn in orders and the acquisition of three cable machinery makers in the US, Canada and Brazil.

RALCO followed the crowd, the CAC40 index rising 10.85 to 2,123.70 in turnover of FF1.19bn, but had its own flavour. There was enthusiasm for Générale deaux, up FF21, or 3.8 per cent, to FF275 after the replacement of its former 75-year-old chairman by a 39-year-old high-flyer.

of the year, with the FT/S&P Europe index gaining some 8 per cent in local currency terms, but the strategy team at ABN-Amro is not optimistic about further advances in European equities over the rest of the year.

"The strong performance from European equity markets has been driven in large part by expectations of a rebound in economic growth through the second half of the year and in 1997," the team says in its latest research note.

The note continues: "Given the relatively subdued nature of the economic rebound that we are forecasting, we need to focus on earnings implications; here the news is not good. Consensus forecasts are falling for 1996, and 1997 estimates are also starting to edge down."

But within Europe, the team is overweight Italy and Spain, as their equities could receive a boost from re-rated domestic bond markets.

The emerging markets have been one of the world's strongest sectors this year, with the IFC Composite index up 11.5 per cent by June 26. Investors appear to be regaining confidence after the shock of the Mexican devaluation crisis in December 1995.

Mr Nigel Rendell, emerging market strategist at HSBC, James Capel, says: "The short term horizons are clouded by the outlook for US interest rates, but a small increase in rates will not hurt that much. The arguments in favour of emerging markets - deregulation, reform and strong economic growth - remain in place."

He is enthusiastic about selected parts of Latin America, notably Argentina where he sees the market rising by 30 to 35 per cent in the second half. In eastern Europe, Mr Rendell thinks Poland looks a good bet.

"Inflation is coming down, interest rates are declining, and what happens in the US is neither here nor there," he says. "India is an excellent market over the longer term, and now trades on only a price/earnings ratio of 12 based on 1996 earnings."

per cent to FT 156.90 after it said that a group of which it is the leader was due to sign a contract yesterday for the design and construction of a 7km tunnel under the Scheidt river in the southern Netherlands.

MILAN edged higher, helped by the rise in domestic bonds as some stocks rebounded from heavy losses recorded on Thursday. The Comit index rose 1.73 to 657.83.

Stet, the state telecoms holding company, picked up 1.45 to L5,195 amid unconfirmed reports that it had won the licence to manage Israel's long distance telephone network.

Gemina, the financial holding company, added L1.3 to L683.9 in spite of its announcement of restated 1995 results that showed higher losses than previously released.

ISTANBUL leapt 3.3 per cent as the Islamist Welfare Party edged closer to forming a coalition with the conservative True Path Party of Mrs Tansu Ciller.

The IMKB-100 index rose 2,269.34 to 70,489.23, with demand centred on state-sector shares and textiles. Turnover jumped to TL1,070bn from TL1,520bn on Thursday.

The most active shares were those of the largely state-owned flat steel giant Ergil, which gained TL100 to TL1,100.

Written and edited by William Cochrane, Michael Morgan and Jeffrey Brown

ASIA PACIFIC

Dollar's rise helps high-tech stocks

Tokyo

Interest rate worries receded thanks to Thursday's weaker than expected industrial production figures, and the Nikkei average closed marginally higher, writes Emiko Terazono in Tokyo.

The 225 index rose 29.14 to 22,530.75. It moved between 22,613.04 and 22,460.91, rising in the morning but declining later on profit taking.

Volume totalled 367m shares of all first section stocks rose 0.24 to 172.45 and the Nikkei 300 fell 0.26 to 317.83. Advances declined by 588 to 460 with 184 unchanged.

In London, the ISE/Nikkei 50 index rose 4.11 to 1825.11. The decline in long term interest rates helped the dollar against the yen. The dollar's rise in turn encouraged buying of export oriented stocks, including high-technology issues.

Sharp rose Y30 to Y1,590 and Minolta Y21 to 733. Nissan Y8 to Y970 and Suzuki Motor Y30 to Y1,440.

THE WEEK'S CHANGES

Table showing weekly percentage changes for various Asian markets like Jakarta, Taipei, Manila, etc.

Rs270 ahead of its results, released after the close. JAKARTA's composite index closed 2.22 up at 594.36, industrial and property stocks leading the upturn.

MANILA saw strong interest in the new issue, Empire East Land, spill over into other selected shares. The composite index closed up 18.73 to 3,275.26.

Empire East, a housebuilder and the biggest flotation this year, ended 16 per cent after a high of 16.75. The group was floated at 19.90 prices.

BANGKOK bargain hunting underpinned selected blue chips, the SET index closing 9.98 up at 1,247.08. One analyst said most investors believed the market had reached a low with good fundamentals.

SINGAPORE bought blue chips and the Straits Times Industrial index ended 7.85 higher at 2,296.21. But Amcol, off nearly 90 per cent on Thursday following news of a government probe, recovered only modestly, adding two cents at 588.12, and Singapore Telecom closed 16 cents lower at 583.70 after a pricing of 50n shares.

SEOUL braked after a five-day retreat and the composite index closed up 3.40 at 823.40, after a high of 832.99. Dealers said there was bargain hunting after recent losses. Blue-chips led the resurgence. Hyundai Motor gaining Won300 to Won30,000, Samsung Heavy Industries jumped Won12,000 on speculation over a government contract.

RAIPZ retreated after a 14-month peak on Thursday, the weighted index losing 30.15 to 6,507.05. The market was said to have undergone a high-profile correction.

THE WEEK'S CHANGES

Table showing weekly percentage changes for various European markets like Amsterdam, Paris, Zurich, etc.

ZURICH extended early gains to close at an all-time high, with CS Holding at the centre of 50n shares' rumour mill. The SMI finished 28.5 higher at 3,782.5.

CS Holding added SF1 to SF119 as the bank declined to comment on suggestions that it planned to sell a subsidiary, was restructuring its management, or planned a co-oper-

ation pact with Germany's Deutsche Bank. Among insurers, Swiss Re advanced SF115 to SF1225 and Zurich Insurance was SF72 up at SF341.

Bank Baer recommended both on the view that the shares were undervalued while ABN-Amro Hoare Govett upgraded Zurich Insurance.

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FT-SE Actuarial Share Indices

Table showing FT-SE Actuarial Share Indices for various companies like British Equities, General Insurance, etc.

THE EUROPEAN SERIES

Table showing European Series indices for various regions like Europe, Asia, etc.

THE WEEK'S CHANGES

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LONDON STOCK EXCHANGE

Bond rally helps Footsie back through 3,700

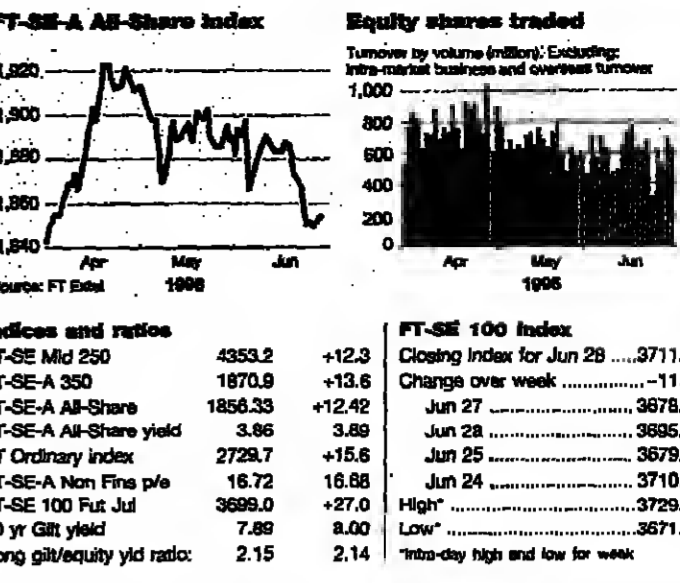
By Steve Thompson, UK Stock Market Editor
US treasuries came to the rescue of a UK equity market seen by many observers as on the brink of breaking down below its previous trading range of 3,650 to 3,850 on the FT-SE.

that the Fed might raise US interest rates at the meeting faded yesterday as bond prices continued to gain ground.
Gilts drew strength from treasury, ended a busy trading session up more than 1/4 of a point and prompted a sustained rally in equities.

gains, driving the FT-SE Mid 250 index 12.3 ahead to 4,353.2.
Over a week badly affected by numerous sporting distractions, notably the England-Germany football match on Wednesday, but also the tennis at Wimbledon, the FT-SE 100 had threatened to slide beneath its previous trading range. This was partly because of lack of interest shown by fund managers and partly because of the threat of a rise in US interest rates.

Yesterday's big rally reduced the fall in the FT-SE 100 over the five days to only 11.3. The Mid 250 index, on the other hand, has fallen 87.5, or 2 per cent, burdened by a number of profit warnings and the

big fall in Wickee, the DIY group.
Market-makers said the end of the second quarter brought an end to a period of rehousing of institutional portfolios, which culminated with the heavy trading programme executed late on Thursday.
The programme, weighted on the buy side, was another reason behind the market's good performance yesterday.
"The fall-out from the programme, plus the £300m of liquidity injected by the Boots share buy-back, got the market on the right track, and we didn't look back after that," noted one dealer.
He added, however, that the Footsie future remained at a deep dis-



TRADING VOLUME IN MAJOR STOCKS

Table with columns: Stock Name, Vol. (000), Closing Price, Daily Change, etc. Lists major stocks like Astra, Abbey, Abbey, etc.

EQUITY FUTURES AND OPTIONS TRADING

Table with columns: Instrument, Open, Settle, Change, High, Low, Est. Vol., etc. Lists FT-SE 100 Index Futures and Options.

Buyer moves in on UB

Turnover in food producer United Biscuits jumped to 17m.
Following two large trades carried out well below the prevailing market price. The shares closed unchanged at 214p.
The two trades were done early in the session, with one of £5m traded at 209p, and another of 8.2m at 209 1/2p.
There was no pointer to the seller's identity but market speculation suggested that Phillips & Drew Fund Management could have been the purchaser. Earlier this week, that institution said it had raised its holding in United Biscuits to 19.01 per cent, and one market specialist, who declined to be named, said: "My guess is that PDM has been in the market mopping up stock as it becomes available from the institutions in order to protect its investment."
The company has been meeting brokers and institutions and the sessions are said to have prompted several institutions to reduce weightings in the stock.
Even one analyst who has started warning to the stock acknowledged: "Trading has improved but not enough to justify the premium rating."

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various stocks like BPP Hlcs, Brit. Biotech, etc.

FT-SE Actuaries Share Indices

Table showing FT-SE 100, FT-SE Mid 250, FT-SE All-Share, and various industry indices with their respective values and changes.

The UK Series

Table showing UK economic indicators like GNP, Retail Sales, etc., with values and percentage changes.

Lombor improves

Initially marked down as a result of disappointing six month results, shares in Lombor were quick to rebound once the market got wind of special dividend hopes.
Shelving plans to demerge its mining side, the group now plans to either demerge or float its hotels, African non-mining interests and general trading operations.
According to snap calculations at Kleinwort Benson, these interests could bring in £4.8m, or 180p a share. After debt repayment, that would leave some 75p. Lombor is known to be considering a special dividend.
Down 3 at the outset, the stock ended 3 better at 185p in 2.6m trade.
Tomkins slumped 3 1/2 to 242 1/2p ahead of Monday's Gates Rubber presentation.

NEW 52 WEEK HIGHS AND LOWS

Table listing 52-week high and low prices for various stocks like Astra, BPP Hlcs, etc.

Hourly movements

Table showing hourly price movements for FT-SE 100, FT-SE Mid 250, and FT-SE All-Share.

FT-SE Actuaries 350 Industry baskets

Table showing industry baskets like Bldg & Constrn, Pharmaceuticals, etc., with values and changes.

Advertisement for 'We're good to wood' featuring a pie chart showing 54% Fuelwood, 12% Pulpwood, 7% Other Industrial, and 27% Sawlogs. Text describes wood production and includes contact information for Les Echos.

Advertisement for 'We're good to wood' with a large image of a tree and text: 'Only 12% of the World's production of wood is used in papermaking.' Includes contact information for Les Echos.

Advertisement for '0.5% annual PEP fee' and 'Fee capped at £150' by Fidelity Brokerage. Includes text: 'Dealing commission from £20' and 'Call free today to receive your brochure and application for Fidelity's Self-Select PEP.'



INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for Name, Price, and % Change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

OTHER FINANCIAL - Cont.

Table listing other financial companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

SUPPORT SERVICES - Cont.

Table listing support services companies with columns for Name, Price, and % Change.

AM - Cont.

Table listing American companies with columns for Name, Price, and % Change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and % Change.

LIFE ASSURANCE

Table listing life assurance companies with columns for Name, Price, and % Change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, and % Change.

RETAILERS, FOOD

Table listing retailers and food companies with columns for Name, Price, and % Change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for Name, Price, and % Change.

AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and % Change.

MEDIA

Table listing media companies with columns for Name, Price, and % Change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and % Change.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for Name, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and % Change.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, and % Change.

PROPERTY

Table listing property companies with columns for Name, Price, and % Change.

RETAILERS, GENERAL - Cont.

Table listing general retailers with columns for Name, Price, and % Change.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and % Change.

AM

Table listing American companies with columns for Name, Price, and % Change.

Advertisement for Rockwell: 'In the world of automotive component systems, Rockwell is world class' with Rockwell logo.

Table listing transport companies with columns for Name, Price, and % Change.

WATER

Table listing water companies with columns for Name, Price, and % Change.

AM

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GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Index, a member of the Financial Times Group. Company classifications are based on those used for the FT-SE Actuaries Share Index.

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Comprehensive 10-14 page report available on this company, containing key FT stories from the last year, latest survey of City profit forecasts, investment recommendations, 5 year financial and share price performance review, balance sheet and profit and loss data, plus recent Stock Exchange announcements for £3.45.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details. An international service is available for callers outside the UK, annual subscription £250 etc.

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# FINANCIAL TIMES

Weekend June 29/June 30 1996

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## Yeltsin health fears grow after missed engagement

By Chrystia Freeland in Moscow

Russia's political uncertainty deepened yesterday when President Boris Yeltsin skipped an important meeting, sparking concerns ahead of presidential elections that he may be suffering serious health problems.

Senior government officials said Mr Yeltsin was troubled by a "sore throat" brought on by a hectic campaign schedule.

But the 65-year-old president's failure to appear in public since Wednesday has prompted fears that he may have suffered another of the heart attacks which sent him to hospital twice last year.

A serious ailment could derail Mr Yeltsin's bid to be re-elected in a run-off against his Communist rival, Mr Gennady Zyuganov, on Wednesday, possibly forcing a postponement of the poll - a move which might impose an unbearable strain on Russia's fragile democracy.

What aides described as Mr Yeltsin's "indisposition" sent Russian stocks and bonds tumbling from this week's highs, as investors considered the news a boost to the efforts of Mr Zyuganov.

## President's hectic schedule has caused sore throat, officials say

Nov. Mr Yeltsin's illness has also renewed worries about the Kremlin infighting which will threaten to dominate Russian politics if the president is re-elected but proves too frail to control the rival factions in his entourage.

A series of strongly anti-western comments made this week by Mr Alexander Lebed has fuelled fear about the increasingly powerful role of the former general, who was brought into the Yeltsin team as security chief last week in a bid to win over the nationalist vote.

Concern over Mr Yeltsin's condition mounted yesterday morning when he failed to make a planned appearance before a group of farmers at the Kremlin. He last appeared in public at a military graduation ceremony on Wednesday morning.

Mr Victor Chernomyrdin, who as prime minister would automatically take over if the president were to die or become incapacitated, took the president's

place yesterday. He said Mr Yeltsin would not address them because "the stress that he has experienced and is experiencing in these days has, to a certain extent, affected his voice".

The prime minister offered Kremlin watchers further reassurance by flying to Lyons in the afternoon to make a scheduled appearance at the Group of Seven meeting being held there over the weekend.

In the afternoon, Kremlin officials sought to calm investors and voters. "I believe all of us have some health problems. This depends on how we live our lives," said Mr Victor Ilyushin, the president's top aide.

Mr Ilyushin would not say when Mr Yeltsin would reappear in public but said the president's advisers yesterday, Russian television showed recorded footage of what announcers said was the meeting, including a brief glimpse of a puffy-faced Mr Yeltsin wearing a suit and surrounded by advisers.

## Japanese jobless rate rises to record of 3.5%

By William Dawkins in Tokyo

Japanese unemployment rose to 3.5 per cent last month, the highest since records began in 1953 and proof that the economic recovery has not relieved the pressure on jobs.

The government's management and co-ordination agency attributed the rise, from 3.4 per cent in April, to a sharp increase in the number of people seeking work after being encouraged by signs of an economic upturn.

The economy grew at an annualised rate of 12.7 per cent in the three months to March, the fastest for 23 years.

Yesterday's jobs setback will fortify the ruling Liberal Democratic party's attempts to persuade a reluctant finance ministry to compensate for the impending exhaustion of the most recent package worth ¥14,220bn (¥134.6bn), in September.

The number of jobless rose by 320,000 people, or 1.4 per cent, to 2.4m in the year to May, much more than the 0.1 per cent increase in numbers employed over the same period. "More and more people are coming on to the job market, but the economic recovery cannot absorb them all," an agency official said.

Within the rise in the number out of work were a record 50,000 young graduates. Another 160,000 people said they had left jobs in search of higher pay or started to look for work after a period, at home, while 90,000 lost their jobs because their companies ceased trading or shed staff.

Worst hit were young people, kept out of work by a continued recruitment freeze among many companies, and the late middle-aged, victims of early retirement.

The jobless rate among 15 to 24-year-olds rose by 1.5 percentage points to 7 per cent, while the unemployment rate among 55 to 64-year-olds rose by 0.5 points to 5.5 per cent.

The figures support a survey earlier in the week, showing that just over half of Japanese companies want to abandon the tradition of lifetime employment.

There was, however, a small glimmer of encouragement in the form of a fractionally stronger labour market.

The number of jobs available per 100 applicants rose from 67 in April to 69 last month, continuing the gradual improvement from a trough of 61, at which the ratio was stuck for three months until September, the labour ministry said.

"The situation is not as bad as it looks. The underlying signs are that the labour market has turned," Mr Russell Jones, economist at Lehman Brothers in Tokyo, said.

Separately, the agency confirmed yesterday that inflation remained almost non-existent.

## Hollywood hits Vegas

THE LEX COLUMN

Hard Rock may have got there first but Planet Hollywood's link-up with ITT to develop themed casinos in hot spots like Las Vegas is likely to upstage its rival. ITT provides not only considerable expertise and brand strength in the gaming industry but also a strong balance sheet. By relying on ITT to fund the two projects in Las Vegas and Atlantic City, in return for an 80 per cent stake in the joint venture, the project looks virtually risk-free for the themed restaurant chain. And for ITT there is an opportunity to use the Planet Hollywood name to leverage its own Caesars brand.

The move goes some way to justifying the extraordinarily high price/earnings ratio which Planet Hollywood has enjoyed since flotation just over two months ago. The management is pressing ahead with plans to exploit the strength of the five-year-old brand. Of course, the venture will not generate earnings for several years. But there is considerable scope for expansion, if the concept proves as successful as early indications from the Hard Rock Casino and Hotel in Las Vegas suggest.

The gaming industry has not proved particularly attractive to punters from the investment community. US laws are being loosened but the amount of gambling money which can be teased out of American pockets is not infinite, and competition is mounting. But the casino-restaurant-hotel formula could help draw in the younger end of the market which has tended to elude traditional venues. And the few winners may just clear up.



actually do to promote them further. Giving schemes government approval may help a bit if it persuades people they are unlikely to be cheated. So could simplifying the regulatory regime, although this is something the current government claims it is already working on. Raising the rules to turn pensions into "individual savings accounts", accessible before retirement, would also help - although its high cost makes this option unlikely.

Meanwhile Labour has shied away from the really potent weapons - forcing people to save, or compelling employers to contribute. By not fattening the state scheme, it should indirectly find private pension providers some new customers. That aside, the industry has little to gain from a policy that looks a carefully calculated damp squib.

### Building societies

A small example of how little remains of the free-market zeal of the 1980s is provided by the current debate on building society takeover protection. Few voices are heard in favour of relaxing the defences; indeed, most of the lobbying in advance of new legislation scheduled for the autumn is aimed at making it even harder to acquire societies.

Take the pressure to outlaw, when a society converts to a bank, any financial reward to those who have been members for less than two years. The stated aim is to prevent "carpetbaggers" from enjoying the assets built up by previous generations of members. The less noble effect would be to frustrate bids. For a society to convert to a bank, at least half its members must vote. Achieving such a high turnout is hard enough when all members can be offered a financial inducement; it would be virtually impossible if only those of greater than two years' standing - roughly two-thirds of the electorate - could be rewarded.

Societies already have far too much protection from takeover anyway. Unlike normal companies, they are not required to inform their members of bona fide bids. And, if they convert to banks, even a friendly takeover is not allowed for five years.

Whom do these barricades protect? Certainly not the members, who lose the opportunity of a takeover premium. The main beneficiaries are building society top management and regulators at the Building Societies Commission who would have no role if societies disappeared. Not surprisingly, they are also keen advocates of keeping the defences strong.

## G7 summit

Continued from Page 1

debating a US proposal to change public opinion to reflect "the economic value of air, water and soil quality", and to improve the measurement of resources such as "forests, minerals and fish".

Meanwhile, Mr Carl Bildt, the international mediator on Bosnia, told the leaders he hoped efforts to remove Mr Radovan Karadzic, the Bosnian Serb leader, would soon succeed. Britain said the option of renewed sanctions against the Bosnian Serbs should still be held in reserve.

The leaders were joined yesterday by Mr Victor Chernomyrdin, Russia's prime minister, for talks on issues including international crime, money laundering and nuclear security.

## Bonn faces defence budget cut to meet Maastricht criteria

By Michael Lindemann in Bonn

Mr Volker Rühe, Germany's defence minister, faces a humiliating setback next week when he is expected to have to cut about DM770m (\$451m) from his 1997 budget so that the country can meet the Maastricht budget deficit criteria.

The latest cuts, which come just weeks after Mr Rühe had to find savings worth DM1.1bn in this year's budget, are likely to affect a number of high profile European defence projects such as the Future Transport Aircraft (FTA) and a series of Franco-German weapons projects.

The cuts are a blow for Mr Rühe because he has been told by Mr Theo Waigel, finance minister, that the budget, expected to be fixed at about DM48.3bn, will have to be kept around this level until 2000.

Officials in Bonn said Mr Rühe had described the cuts as "unacceptable" and was determined to take them up with Chancellor Helmut Kohl before they were finalised at a cabinet meeting on July 10.

However, Mr Kohl has apparently warned his defence minister that the cuts are not negotiable and must be met so that Germany's 1997 budget deficit is below the 3 per cent specified in the Maastricht treaty for monetary union.

"Mr Rühe can't live with those cuts but he has been told outright that there is no room for

manoeuvre," an analyst said. Analysts believe the latest defence cuts, which were "worse than predicted", will force a discussion about the future of Germany's 340,000-strong conscript army, Europe's largest.

Although Mr Kohl and other leading politicians have vowed to hold on to the idea of military service, they must trade off its benefits against the future of a number of important arms procurement projects.

Immediately after the last federal elections in October 1994, Mr Rühe had been promised that his already depleted budget would be set at DM48.5bn until 1999.

But according to Mr Heinz Schulte, a Bonn-based defence analyst, the latest cuts mean that, in real terms, the German defence budget will lose up to DM12bn between now and 2000.

Mr Rühe's spending power in 1997 is expected to be even lower because he has to find an extra DM300m to pay for the German troops stationed in Croatia, and has to make an unspecified further provision for the fact that troops are likely to stay several months into 1997.

Apart from the FTA project - the future generation of military transport aircraft which eight European air forces are planning - the latest cuts are also expected to affect the MRV, a new armoured personnel carrier project which the Germans and the French are working on and which Britain is expected to join.

## Islamists

Continued from Page 1

heritage of Kemal Ataturk, founder of the secular republic.

Refah members complained of interference without directly mentioning the army. Mr Riza Ulucak, Refah's assistant chairman, said: "Some people have illegally tried to prevent this government from being formed."

There is also uncertainty about the status of parliamentary committees probing corruption allegations against Mrs Ciller. Refah, supported by Motherland, launched three investigations against her, successfully bringing down her short-lived coalition with Mr Yilmaz.

Halting the committees is said to be one of Mrs Ciller's demands in talks with Refah.

### Lonrho

Splitting Lonrho into three is actually easier than dividing it into two. The original idea of demerging the group's mining interests would have triggered horrific tax problems. The intention now is to leave mining as it is and to float, in rapid succession, the hotels division and the African trading businesses. The key to the whole process is the \$388m deal to buy back the one third of Metropole Hotels from Libya's Lafico investment company. At over 40 times last year's earnings, it may look as if Lonrho is paying through the nose. But with the Libyan stake removed, a flotation becomes possible. Moreover, with the stock market currently keen on hotel companies, Lonrho could extract around \$700m from floating the division.

The African trading business - which is also due to be floated - is more difficult to value. Africa is not yet an emerging market in the sense of Asia or Latin America, though Lon-

### Labour pensions policy

What is most significant in the British Labour party's new pensions policy is what it leaves out. Expensive improvements to the state scheme have all been ditched. And there is no mention of the grand new government-sponsored scheme Labour previously flirted with. Instead there is a more modest model: encouraging the creation of group schemes for people without occupational pensions. Under this plan, the government would play only a minor role - setting standards for schemes, but having nothing to do with running them.

This is all sensible enough. Group schemes have an obvious attraction: because costs are shared, they can be much better value than personal pensions. For this reason, their popularity is already growing. The question is what, for all its flurried talk about stakeholding, a Labour government could

**FT WEATHER GUIDE**

**Europe today**  
Strong north-westerly winds will accompany light showers in Scotland and eastern England. Ireland and other parts of England will remain dry with sunny spells. The Benelux, eastern France, Germany and the Alps will have rain. Southern Scandinavia and Poland will be overcast and will have showers. Meanwhile, a weak ridge of high pressure will bring dry conditions with sunny spells to the Italians. Central and southern parts of Italy will be sunny. Turkey, Greece, Spain and Portugal will have plenty of sunshine. Temperatures will reach 39C in southern Spain.

**Five-day forecast**  
Showers and thunderstorms will sweep into eastern Europe and the Balkans on Sunday and Monday, but clearing is expected on Tuesday. It will continue to be unsettled in the British Isles, the Benelux and central Europe. Southern Scandinavia will continue cloudy. It will be sunny and hot in southern France from Monday, with temperatures rising above 30C. Spain and Portugal will continue sunny and hot.

**TODAY'S TEMPERATURES**

Abu Dhabi	sun 31	Algeria	sun 31	Amsterdam	show 17	Barcelona	sun 26	Bombay	sun 28	Bonn	sun 20	Buenos Aires	sun 26	Calcutta	sun 31	Cardiff	sun 17	Chennai	sun 31	Chicago	sun 20	Colombo	sun 29	Dakar	sun 29	Dallas	sun 20	Delhi	sun 31	Dubai	sun 31	Dublin	sun 18	Durham	sun 20	Edinburgh	sun 19	Frankfurt	sun 21	Geneva	sun 21	Hamburg	sun 17	Helsinki	sun 19	Hong Kong	sun 27	Hyderabad	sun 31	Islamabad	sun 25	Jakarta	sun 26	Jersey	sun 18	Karachi	sun 26	Kuala Lumpur	sun 27	London	sun 19	Los Angeles	sun 27	Luxembourg	sun 22	Madrid	sun 20	Manchester	sun 17	Marrakech	sun 27	Mexico City	sun 24	Miami	sun 27	Milan	sun 27	Montreal	sun 21	Moscow	sun 27	Mumbai	sun 27	Nairobi	sun 27	Naples	sun 27	Nassau	sun 27	New York	sun 27	Nice	sun 27	Nicosia	sun 27	Oslo	sun 19	Paris	sun 18	Penn	sun 22	Prague	sun 25	Rangoon	sun 27	Riyadh	sun 31	Rome	sun 27	S. Paolo	sun 26	S. Francisco	sun 26	Saudi	sun 30	Singapore	sun 32	Stockholm	sun 20	Stockport	sun 18	Sydney	sun 18	Taipei	sun 27	Tel Aviv	sun 31	Toronto	sun 25	Toronto	sun 25	Vancouver	sun 21	Verona	sun 24	Vienna	sun 25	Warsaw	sun 21	Washington	sun 20	Wellington	sun 11	Winnipeg	sun 29	Zurich	sun 19
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# Weekend FT

## Unknowns in search of the movie magic

Nigel Andrews meets the humble film extras, the oddjobbing hopefuls, who toil for a chance at the big time in Hollywood

**T**eenager Gilbert escaped Los Angeles' gangland to earn money as a Mexican vampire. Vertically challenged Susie (3ft something) earned \$30 a day as a remote-controlled penguin. British-born Arthur, 91, relived the American Civil War as a soldier, a carpetbagger and the man you mistook for actor Leslie Howard. And 60ish Millie, now head of the Hollywood Extras Committee, came from Texas 20 years ago and found work as a wicked fairy.

For almost a century movie extras, or "background players" as we must begin calling them in these politically correct times, have filled up those corners of a screen not occupied by superstars or special effects. This summer a few hundred of them will once more be on show - target practice for the villains in *Mission Impossible*, fodder for vampire-killers in *From Dusk Till Dawn*, barflies who get in Arnold Schwarzenegger's way in *Eraser* - as the American blockbuster season restarts.

We all know why Hollywood is unique. It is a factory town where those employees called performers can do a hundred different jobs while staying in the same one, and where the humbler your grade the wider your choices. Players who are kicked upstairs into stardom, like Cruise or Costner, must spend their days sitting behind an immovable persona, letting each new role submit to their mannerisms. But extras are a whole different story.

These are the oddjobbing unknowns who dream of fame while wearing the Cinderella rags of day-long drudgery. Despite the grim hours and conditions - on set as early as five, off as late as midnight, and six hours before anyone has to meet you - you might be the one who ends up going to the Hollywood hall. And you might leave your image like a glass slipper on the steps of Warner, Fox or Paramount. That is what happened to Monroe, Stallone, Travolta and Bruce Willis, just four famous names who began as part of the human scenery.

Today, with cinema notionally in decline, those wannabe

stars still hire themselves out by the tens of thousands. Clocking into Central Casting's bunker-like HQ in North Hollywood, the lucky ones will go on to earn \$72 a day, although most of those will end up as a distant shape in a street scene or (no less likely) a snippet of celluloid on the cutting room floor.

For a slight pay increase - \$80-100 a day - they can be special-duty extras and endure even worse treatment. Midget actors like Susia Rossitto, whose father did stand-in work for silent horror star Lon Chaney, and Jerry Marren, who began 80 years ago as a singing Munchkin in *The Wizard of Oz*, climb into overtight creature costumes for *Star Trek* or *Star*

Wars. And chorus dancer Bobbie Bates has spent weeks rehearsing and shooting numerous scenes for films like *Morne* and *Funny Girl*, only for her work to end up in one shot or none.

Boredom, discomfort, bad pay. Why do it? "Everybody's dream is to be on a movie set and become a star," says Bates. "You think you're gonna have a magical time and sometimes you do," adds Rossitto. Her share of unmagical times includes the day she spent in a cable-operated penguin suit for *Batman Returns*. The director was cueing us through earpieces - "Take Danny De Vito's body and throw it in the water" - but we couldn't hear a thing because of the real baby penguins running around. It was chaos. You learn bladder control too."

When not struggling to see, hear and stay continent, an extra may be struggling to stay awake. For long action-free days on set he or she, say vet-

workers? in a crowd scene I would sextuple my fee? "No, that's called an 'omnies'," says Joy. "That's general rubbish. To be a day player you must be singled out by the director. He must say, 'I'd like that guy to be a bartender or whatever and say this line.'"

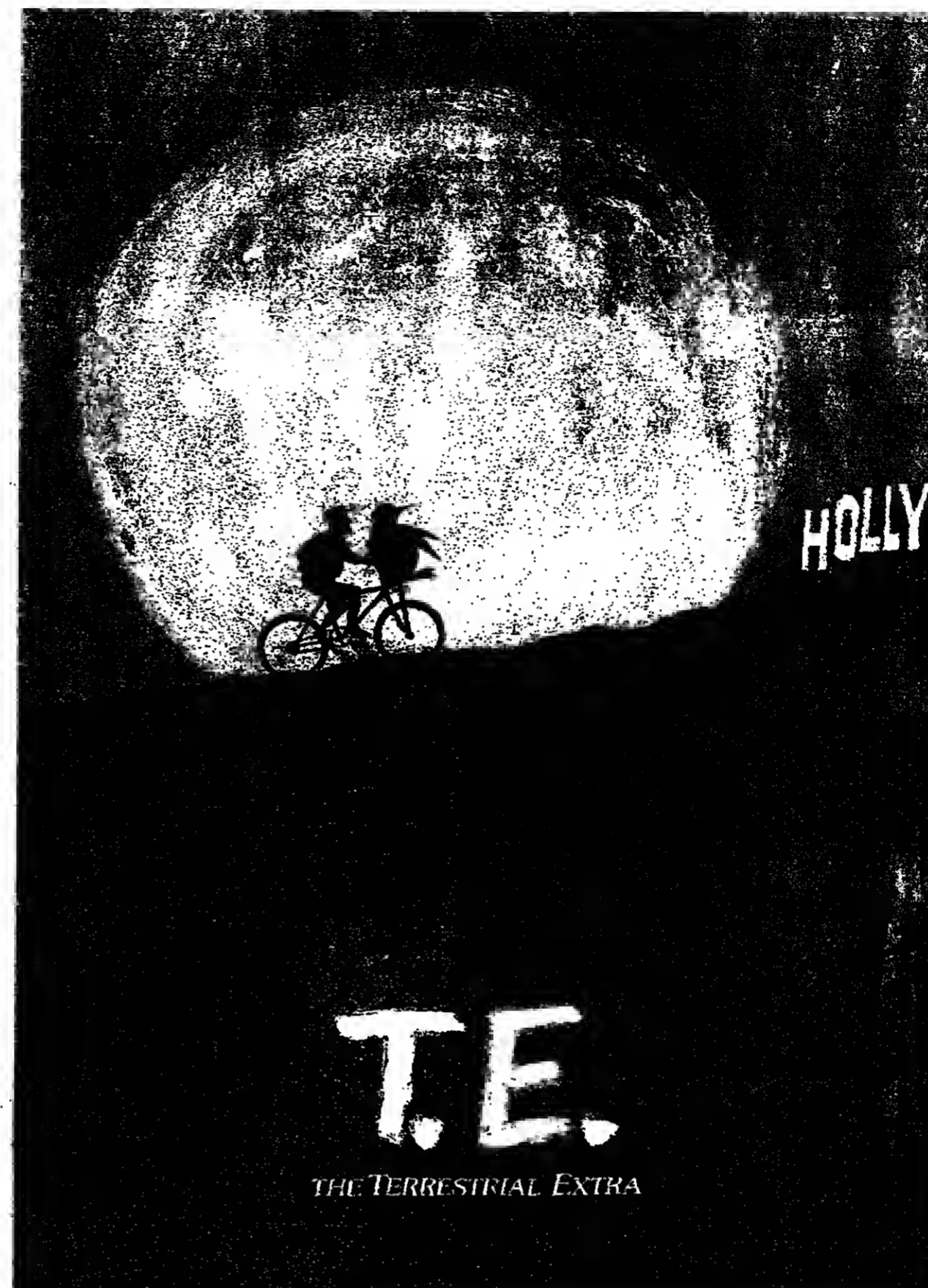
Ennobled by utterance, the bit actor instantly qualifies to join the Screen Actors Guild, assuming he can scrape together the alarming \$1,250 initiation fee. Is the next stop stardom? "Could be," says Joy. "Or he could be back with us the next

week signing on for background work again." Through Joy's open door I see what that entails. On the far side of a large outer office busy with apparatchiks scriawling notes and shouting names is a glass partition. Beyond that mill the day's hopefuls. All colours, all sexes, all ages, they scribble their names in the register and then peer through the glass hoping to catch an eye.

This is feeding time for the Hollywood ego, and there is not much food about. Nor much ego as the day wears on and self-esteem is worn away.

venturing behind the glass partition, I meet Bradley, a young black who has been signing on for five years. "I drive 20 miles from South L.A., man, it's tough to get work. I haven't had a job here for three months. I don't know if it's me being black or what..." Daniel, another black, chips in: "You just gotta keep your face in their face."

Most of those I meet suffer from what I identify as Extras' Syndrome. They claim to have been in well-known movies but cannot name them. "Oh you're taping it?" says a jittery blonde whom I approach



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Joe Rogaly

## A self-help slogan for the 90s

How looking back a century can help us look to the future

**S**amuel Smiles is alive and well and available to lead us into the next decade. No, I am not kidding - well, just a little. The Victorian moralist's universal best-seller, *Self-Help*, is a better guide to the prevailing political and economic orthodoxies than the incomprehensible texts of that other 19th century thinker, Karl Marx. Granted, *Das Kapital* has influenced the behaviour of most people for most of the present century, but it is now safely buried under the rubble of the destruction it caused.

This week the 1866 edition of the seminal *Self-Help* was reissued by the Institute of Economic Affairs, the mother of European free-market "think-tanks". Since we are all stuck in the same time-machine, with no "reverses" on the gear lever, the book cannot be a guide to contemporary policy, but it does make you wonder.

It arrived as I was preparing to rehearse the proposition that the election campaign now under way in Britain is the phoniest since 1945. Let me complete that elevated thought before weaving in threads from Smiles; you will

quickly perceive the connection. The election is due within the next 11 months. The principal protagonists are already behaving as if polling day were tomorrow morning. Britain's voters face a frustrating choice. The incumbent Conservatives deserve to lose. New Labour, riding high in the polls, does not deserve to win. Tony Blair's unique selling proposition is a commitment to constitutional reform, but the more closely this is inspected the less meaningful it becomes.

The central flaw in Britain's constitutional arrangement is imbalances: the executive is too powerful. There can be no appeal to any written ground-rules. Labour would not change that; even its promised Scottish parliament, now revealed as a glorified local council, would be dependent for its continued existence on the will of London's parliament - that is, whichever ministry commands a majority in the lower house.

As Mr Blair intimates, anything done north of the border can be undone at Westminster. A referendum would make it

more difficult for a future government to abolish an Edinburgh assembly, but it would not be impossible. This is acknowledged by the independent Constitution Unit, which published a thorough analysis of the proposals for Scottish devolution this week.

The question is, does it matter? The prime minister has called Mr Blair's schemes "pointless fiddling". Natural conservatives will agree; so might genuine constitutional reformers. The Anglo-Saxon politics in Australasia and on both sides of the Atlantic have spawned policies whose logical outcome is a withering-away of the state, a capitalist nirvana. In such circumstances a devolved assembly here, a wholly appointed upper house there would hardly affect the price of cheese.

Samuel Smiles' posthumously concurs. "...the value of legislation as an agent in human advancement has usually been much over-estimated," he writes. "To constitute the millionth part of a Legislature, by voting for one or two men once in three or five years, however conscientiously this duty may be per-

formed, can exercise but little active influence upon any man's life and character." The temptation to damn all politicians and then forget them is strong, but 14 centuries after Smiles is too late for that. Government is more important than it was in the 19th century.

### Welfare financed by taxation is no longer chic - as New Labour recognises

Much in *Self-Help* is, however, still stimulating. Its central precept - the value of hard work, ingenuity, perseverance, thrift, a solid education - is in tune with American notions of workfare, not to mention the Labour party's espousal, this very week, of a shift in the mission statement of the British social security system from "hand-out" to "hand-up". Welfare financed by taxation is no longer chic.

New Labour recognises this. Mr Blair has replaced adversarial politics with adverbial politics.

Again, all parties are now concerned to demonstrate seriousness of purpose in education. The "child-centred" methods of the 1980s are out of fashion. So it was in the last century. "The facility which young people are...induced to acquire knowledge, without study and labour, is not education," says the guru Smiles.

"...we often imagine we are being educated while we are only being amused..." Labour's David Blunkett and the Conservatives' Gillian Shephard say much the same thing, in contemporary language.

Some of the Smiles doctrine, alas, is likely to fall on deaf ears. He is against frivolity. "Nothing can be more hurtful to a youth than to have his soul sodden with pleasure," he writes - in vain, I suspect, whichever the century.

The difference in the 19th was the existence of a recognised and established Church, a prevailing moral climate. The wagging finger may have been ignored, but not so bla-

ntly as today. There is no nationally accepted doctrine to give it force. Cold-shouldered industriousness does not sell.

In a foreword to the 1866 edition of *Self-Help*, Ralph Harris takes us back to the middle of the last century, when Emperor Meiji opened Japanese minds to the outside world. We are told that the Smiles tome was then foremost among translations from European texts. It is an easy read, being a collection of success-stories about named and usually famous individuals. You could compose a similar volume today, without the homilies.

One chapter might be labelled Fat Cats. Another could be called Lottery Winners. A third could be based Speculative Gains. If you felt obliged to draw conclusions from contemporary accounts of how the rich and powerful got that way you might be left with the problem of inventing a title. How about *Help-Yourself*? It could be the slogan the 1990s is looking for.

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PERSPECTIVES

The Nature of Things / Andrew Derrington

# How to breed a crop of sterile males

The problem pages of teenage magazines and tabloid newspapers tell us that sexual relationships are full of conflict. But for the gory details of the war between the sexes we must look in a different type of publication, one whose readers' sensibilities are not so great as to prohibit the frank descriptions of the sordid facts about what is, after all, a natural phenomenon.

We will find what we are looking for, not on the newsagent's top shelf, but in the libraries of academic institutions. In recent months the scientific journals have carried reports of a sexual arms race that has escalated to the point where chemical weapons are in routine use. They also provide an analysis of the problem in terms of a fundamental driving force of biology - the pressure to maximise the return on an investment.

The object of the investment in question is to preserve genes by passing them on to the next generation.

Of course, sexual reproduction usually involves co-operation between male and female but there can also be a conflict of interests. The problem is that the sexual partnership is unequal. The genetic return from successful reproduction is almost the same for male and female, but the size of the investment is very different. At the very least, the female's investment in producing the egg far outweighs the cost of producing the sperm that fertilises it, and in many species she also has to bear and rear the young.

Consequently, it pays a female to select her partner carefully and even to demand an increased investment from him in the form of a long-term commitment to rear

the offspring. It may also pay her secretly to cuckold him if a better male offers her the chance. Males on the other hand can increase the chance of a return on their tiny investment by repeating it as often as possible. They may also fight each other for access to individual females, or keep them in harems.

The bottom line is crucial in this enterprise. Unsuccessful investors are removed by the grim reaper. So natural selection may drive females to be fussy and demanding and males to plauder, to coerce, to build harems or even to commit infanticide to improve their chances of reproducing. The set of strategies adopted by each species will depend on many factors. But some of the clearest

studies of sexual conflict have been carried out on insects, which also seem to use some of the dirtiest tricks.

Getting the chance to mate with females is not the only problem for males. They must also mate in a way which maximises their chance of fertilising her. This may be complicated if she has recently mated with somebody else. Geoff Parker of Liverpool University first described this problem, known as sperm competition, in the 1970s. Recently he has analysed it in some detail in the common yellow dungfly.

A male dungfly copulates with a female for long enough to flush out most of the sperm from her previous matings, and then stays with

her until she lays all her eggs, which are fertilised as they are laid. "The last male to mate gets 80 per cent of the eggs," says Parker. But an unlucky male may be displaced by a bigger rival, who will then attempt to do the same thing all over again.

"It's a wretched business for the female," says Parker who uses marginal value theorem (developed by economists) to predict how long males of different sizes should copulate to maximise the return on their investment. The optimal time depends on size because on the one hand bigger males transfer sperm faster, but on the other hand they get more takeovers. According to Parker, all except the smallest males copulate for the length of

time that the theory predicts. Sperm is not the only important component of seminal fluid. Research with fruit flies shows that it contains a number of chemicals that affect the female in different ways, disabling the sperm of previous matings, making her less likely to re-mate with another male and increasing the number of eggs that she lays.

Not only do these extra components of seminal fluid work to the advantage of the male, they have the unfortunate side effect of killing the female. "It's one of the few chances that male fruit flies get to push females around, and they are rather good at it," says Linda Partridge of University College London.

Males and females influence each other's evolution, so eventually the female should develop defences against the male's dirty tricks. William Rice, of the University of California at Santa Cruz, showed that if he stopped female fruit flies from evolving and allowed the males to continue to evolve, the effects of their seminal fluid on females increased.

This suggests that in normal populations there is a constant evolutionary arms race that maintains the status quo.

The chemical warfare tactics of the male could be turned against the species of fruit fly that cause damage to crops. Partridge is investigating the possibility of using genetic engineering to develop male flies that are not only sterile, but have semen that kills the females with whom they mate, as an advanced technique of pest control.

The author is professor of psychology at the University of Nottingham.



Amazon Nails team: Barbara Jones (left) and Gill Bell (right), with subcontractor Josie Taylor

Dispatches / Kieran Cooke

# Strangers in the night

It all happened on the spur of the moment. A stop for lunch at McGroarty's pub in Donegal town. A chat with the barman.

Like a skilled fisherman, he cast his bait. "Do you like walking?" he inquired innocently while lifting a feather duster to the optics.

It is a brave man who answers such questions in the negative. ("Walking is it? Never do it. The worst invention ever. If people would only stay in one place and stop all this endless perambulation, the world would be a better place altogether...")

I nod enthusiastically. "That's grand," says the barman. "Just scribble your name down here and we'll see you on Saturday. There will be a few more like you along." He has a smug smile, as if he has just landed a 10-pounder.

The whole thing appeared straightforward enough, if a little challenged in the brain department. Start at midnight from the bar after a bit of supper and music. Walk a few hours, have soup and walk again. Breakfast accompanied by more dee diddle eye dah at the other end. It will be 15 miles in all, the money raised to go towards bringing a group of children from Chernobyl to Donegal this summer.

At 11pm a party of us arrived at McGroarty's. A stag party is in full swing. A group of golfers is in from Dublin. Drinks are being passed overhead. Amid the hubbub someone is trying to sing "Moon River". There is not a walker in sight. Not a hairy sock, anorak or thermos to be seen.

"We decided not to start till one," says Stella, the publican's wife and organiser. "That gives people time to relax a little first. And we don't want to get to the other end too early else the musicians might not be up."

We are given big bowls of stew and plints. To limber up we go for a walk round town. At last we have problems getting back into the pub. "We are closed," says a voice from behind the door. Inside it is more packed than ever, but at least there are a few walkers about.

A couple from Ohio have planned their vacation round the walk. "You must be mad over there as well," says Stella. The Ohioans look puzzled. Photos are taken. The stag party, now more horizontal than vertical, cheers us away. Forty people head off into the dead of night.

Donegal is out of sync with the rest of the world. Or perhaps it is everyone else who is out of kilter. The walk is timed for the shortest night of the year. Friday June 21. We are strolling along 24 hours later.

"We do things a little differently over here," a doctor explains as we conquer the first mile. "Anyway, when it comes down to it, what is time?" He disappears ahead. That question occupies my mind for a few more miles.

The walkers are spreading out. Companions come and go. It is a cloudy night and faces are dark holes in one conversation a woman and I discover we have far away friends in common. "Fancy that," she says. "Strange things happen on the backroads of Donegal." She sprints away. I do not see her again.

The soup is halfway. It is 3.30am. The first of the bunch were through well before. Peculiar things are beginning to happen to my feet. We soldier on. A car wobbles down the track. A window is wound down. "Fine night," says the voice. And away it goes.

A streak of light across the sky. A few birds start to sing. Midges are the curse of the west of Ireland. In Donegal they get up early. There are clouds of them flying into the attack. Up your nose, in your eyes, down your throat.

We tie handkerchiefs round our faces to keep the little perisbers at bay. As we pass one cottage the curtain parts slowly, then is jerked shut. What an apparition to wake up to.

A van solicitously comes up and down through the walkers. Now I know what it feels like on the Tour de France. "Are yeez alright then?" says the driver. "Would you like a lift for a bit?" With one of my legs refusing to obey the usual instructions, there is nothing more I would like, but honour and foolishness win the day.

"It's only a mile and a bit now," says Stella. The mile is a mile, the bit is about three. We reach the pub at 6.15am. The first finishers clocked in more than an hour before and have gone off sailing for the day.

Plates of bacon, egg, sausage, potato cake, mushrooms and tomatoes are ready. Big mugs of tea. There is consternation that the musicians have not turned up. "Either they were up late and can't get up or they did go to bed at all," says Stella. While I'm trying to understand that someone gives me a plint.

"You enjoyed yourself I'm sure," it's the barman again. He explains that unfortunately he could not accompany us on the walk because of a comprehensive list of ailments. But he would be playing football that afternoon.

Sleepiness wraps its blanket round me. Someone is starting to sing. It sounds like "Moon River".

Minding Your Own Business

# Scaling the dizzy heights

Clive Fewins meets a woman whose roofing business is on the up

Running what she believes to be the only all-woman roofing company in Nottingham, but now I believe Amazon Nails is the only one. This makes me feel I have a responsibility to other women in the building trades to be seen to be doing well. Any mistakes will be talked about," says Jones.

After gaining a degree in social sciences, Jones had several jobs before retraining as a carpenter in the early 1980s. She worked in London, where she set up a women's building co-operative, Hilda's Builders, in Hackney in 1984, before moving back to her native Yorkshire and starting Amazon Nails with fellow woman carpenter Lindsay Woodster, in 1989. They worked as sole traders but collaborated on all larger jobs until 1994, when Woodster left to pursue a different career.

Since then, Jones has continued as

a sole trader, specialising in roofing and employing other women as subcontractors. She works mainly in and around the West Yorkshire town of Todmorden, where she lives.

In April, Jones took on her first employee, Gill Bell, 35. "This year looks like being the best ever. Business is booming and I have work booked until next March," says Jones. "By the end of the year, contracts should total more than £27,000 - which is a lot for me."

Despite anticipating the highest turnover in the seven-year history of Amazon Nails, Jones is expecting, as usual, to make virtually no profit. "In the past, Amazon Nails has usually managed to break even," she says. "I have never made a loss because I do not like banks and I try to avoid borrowing from friends."

"Generally, the low figures have not mattered because I have usually altered periods of work with my many leisure activities and lived very frugally. As a single woman with no family commitments I have been able to do this."

However, this year I have tried to put the business on a serious finan-

cial footing. This has tied in with employing Gill in April and the offer of several big contracts, one of which is worth in excess of £10,000."

Jones has felt it important to do this. At 39, she predicts that she has probably only 10 or so years left in the physically demanding world of the building trade.

She would like to take on another woman carpenter if this year goes as well as expected. But that depends on the figures. She has to pay Bell a full wage, although she is at college one day a week, plus course fees and a training allowance.

Jones also has to pay an extra £500 in public liability and other insurances now that she has an employee. "I see myself as role models and I should like Amazon Nails to expand, as I know we have all the skills needed for a successful all-woman company," she says.

"However, I have to put this alongside the many pressures of running the business. I insist on being on site whenever work is going on, supervising Gill and the two or three other women subbies."

Jones says she would employ male

labour only if she had a big job and could not find enough women carpenters. She admits this could happen, as she estimates there are only about 100 women carpenters at work in the UK.

"Really, my heart is in training women to be carpenters. There are a lot of stories about needing to be strong if you work on a building site, but essentially lifting is all about balance, leverage and good use of pulleys."

"At present, nobody is really encouraging women to train in the building trades. Most grants for college courses stop at the age of 18. This discriminates against women because they usually take several more years than this to gain the courage to train for work of this sort, which is considered non-traditional for women."

When doing her City and Guilds certificate in 1987, Jones won the award for best student on her course. Although less physically strong than men, she believes that women can make equally good carpenters.

"Compared with men, women in the trades are frequently more meticulous in their work and more concerned

with quality rather than financial gain," she says. "Often they work better together, and they are more safety conscious than men."

Apart from her desire to see it made easier for women to gain work in the building trade, Jones sticks to her policy of employing only women because, in London, she became exasperated with the level of what she calls "sexual harassment".

"People here in Yorkshire have a different attitude," she says. "They see the Amazon Nails sign outside a building site, look up and see us on the roof, and shout 'good on yer, lass'. In London, there was far more of the sexual stuff than the appreciation."

"Our visibility up on the roof is very important to us. It gets us talked about and it brings in business. It can be tough working as a woman carpenter on roofs in all weathers, but I find the physical work the easiest part of the job. All the other aspects of running the business, especially the estimating, are harder."

Amazon Nails, 554 Burnley Road, Todmorden, Lancs OL14 5JF (tel: 01766-814856).

Continued from Page 1

# Unknowns in search of the movie magic

as? "Er, heh-heh (nervous giggle). Look major pictures. With your major stars. You know, like, er, Robert De Niro, Barbara Streisand-type people."

No titles supplied. In short, we suspect she has not appeared in any well-known feature at all. But this is the human pain behind the Hollywood mask. It goes with the business.

Some extras, powered by talent or chutzpah, do get regular work. Luis, for instance, has good looks, a confident manner and a cheery Puerto Rican accent. "This is all the different appearances I can portray," he says, showing me his photo album. "Gang member, punk rocker, drag queen. Me and my

brother go by the name of the Wonder Twins. We just played two drag queens who stop Arnold Schwarzenegger in a nightclub in his new film *Escape*."

Luis is lucky. Hispanic is hot in Hollywood now and Central Casting is not the only place where you can parade your credentials. The life of 19-year-old Gilbert Espinoza changed beyond recognition when he met a small but go-ahead agency called Rainbow Casting. Back in 1990 Rainbow president Jeff Olan was choosing background players for an ethnic drama called *Amistad*. Shooting in L.A.'s notorious south central area, Espinoza volunteered to

aren't gonna run smooth," says Olan.

Things ran smoothly - although Olan insists the offer was made helpfully, not as a threat. After assisting on that film, Espinoza appeared in a documentary about its making, then won non-speaking roles in two Quentin Tarantino features, *Pulp Fiction* and *From Dusk Till Dawn*.

Now he has advanced to a visually prominent, one-line-speaking role in a comedy called *High School High* by the Zucker brothers of *The Naked Gun* fame. "I started the film as a day player on \$523, then signed a weekly contract. I'll make about \$20,000 from the film," says Espinoza.

His story, though, is one in a thousand. For most extras, especially those starting out, this is an over populated pro-

fession full of seams and comensous the like of which has not been seen since the Gold Rush. Fly-by-night agencies take an actor's "initiation fee" and then vanish. Dubious calling services extort \$50 to phone you up with roles and never call. And throughout Los Angeles there are card ads placed in telephone booths that read "Ring this number and become a star".

The warning to the starstruck, says Wright, should be loud and clear. "My advice is if you have no theatrical background or training, don't become an extra. You don't belong here. We are talking serious overworking."

Joy at Central Casting agrees. He points a finger at a framed cutting on the wall, which says: "5,398 women, 5,617 men, 1,506 children. Total

12,416. This is more than 16 times as many as we can use each working day. Central Casting Corporation, July 1935."

Says Joy: "It's the same cry

**Dubious calling services extort \$50 to phone you up with roles and never call**

we get now. 'How come I can't get work?' We have 1,641 people out here today alone. A hundred of those might, might, get jobs."

Even those jobs could become endangered as the digi-

tal epoch takes hold of Hollywood. "After you see *Toy Story* you'll see what's gonna happen to us," says Rossitto, referring to the computerised Disney fantasy with the lifelike cartoon figures. Hollywood could soon save millions by moving that technique into live-action cinema. Distance lends credibility, as we saw in the 1994 sci-fi fantasy *StarGate*, where most of the desert-dwelling extras were pixel'd in by computer.

Olan is still hopeful. "Even with digitalisation the extras' hill on *StarGate* was over \$1m. You have to have some real people if only to provide the models to be 'dressed'."

Joy is more pessimistic. "The time will come when the cost of computerwork, across the board, will come down below the cost of hiring players. That's when we at Central

Casting may have to look for another job."

Until that day some mystical enticement will draw human beings on towards a livelihood at once exacting and exciting. Perhaps the magic of being an extra has to do with sitting in on history: a history that can go hypothetically wrong behind the scenes even as it goes hypothetically right for the public viewing the final film.

Wright remembers appearing in a then little-trumpeted 1982 project called *ET: The Extraterrestrial*, directed by Steven Spielberg. Although it went on to become the highest-grossing film in history, Wright was there one troubled night when one extra went very terrestrial.

"I was playing a woman walking her dog on the street in the Halloween scene and the ET was Pat Bilon, who was a

little guy. Just 2ft high, he was in this hideously uncomfortable rubber costume with sticks in the arms to extend them. And he fell on the ground and just couldn't get up. I think he had difficulty breathing. They carried him off in an ambulance and that was the end of the shoot for the night."

And it was also the end of Bilon's participation in the movie, although his death several weeks later was not blamed on the production.

Things go wrong, however, even in the best-ordered Utopias. Mishaps are the price you pay for a high-risk dream. For extras that dream is to work and hopefully be "discovered". Once past the glass partition at Central Casting, you really are through the looking-glass. Everyone mucks in on the same stage or backlot, and works for the same vision, from Millie Wright to Meryl Streep.

Handwritten signature or scribble at the bottom of the page.



PERSPECTIVES

# A tale of intrigue to rival Treasure Island

A map showing America, and purportedly drawn 50 years before Columbus's voyages, has raised fierce debate. Richard Cannell tells the story

Maps that lead to adventures are magical. The maps that mark the site of hidden treasure in *Treasure Island*, or that lead Sir Henry Curtis and his chums into the exploits and ordeals of *King Solomon's Mines*, are more potent, more powerful than their bumble appearance suggests.

So it is with the Vinland Map, a ragged piece of parchment with wormholes and ancient crease marks that hint at its own secret story, one that may never fully be told because there is no one left to tell it.

The Vinland Map of the world shows an uncannily accurate Greenland, Iceland and a large island with recognisable features in the north-west Atlantic named Vinland - what we know as North America - and the hidden treasure.

Yet, this map purportedly dates from about 1440, half a century before Columbus made his famous voyage.

If it is genuine it represents the first cartographic evidence of America, presumably taken from Viking sources and tells us that our medieval forefathers had a greater knowledge of the world than we had imagined.

This revelation was disclosed on October 11 1965, the day before Columbus Day. It immediately provoked a media outpouring and, reportedly, rioting among Italians in New York. In academic circles, the Vinland Map launched a dispute that continues today.

Simply, this revolves around the question: "Is the map an authentic, pre-Columbus map of America, or is it one of the cleverest and most controversial forgeries that have appeared this century?"

Where it had appeared from, no one could say. In 1957, an Italian bookseller from Barcelona showed it to antique booksellers in Geneva, London and Paris on behalf of an anonymous client. It was bought with another important historical document, the *Tartar Relation* - an account of a papal mission to the court of the Mongol empire by Friar John de Plano Carpini in 1245.

The binding had been carried out in relatively recent times - perhaps the turn of the century - and on the back of the map, in poor Latin, was an obscure allusion to the "Speculum", a reference that had no apparent meaning.

Through a London bookseller, the map arrived at the British Museum, with R.A. Skelton and George Painter, curator of the map room and assistant keeper of printed books, respectively. They tentatively dated the map, on the basis of the paper, the handwriting and the accompanying *Tartar Relation*, to

about 1440. However, they had doubts. They were suspicious of the modern binding, the questionable Latin, the mysterious reference to the "Speculum" and the fact that both documents had wormholes which did not match, suggesting that the documents did not belong together.

Consequently, the map was returned to the Italian dealer. Eventually, the map was bought in Geneva for \$3,500 by Laurence Witten, an American bookseller who believed it to be medieval. He was later told by an eminent American librarian: "Mr Witten, I think you've got the greatest bargain in all the world."

Witten showed it to Thomas Marston and Alexander Vietor, experts at Yale University, who recognised the potential importance of the document. It was said Marston, "of so arresting a character as to prompt scepticism, if not incredulity", but like the British Museum they were not totally convinced of its authenticity. Vietor said: "It looked right to us, it smelled right...but there were two disturbing features."

These were the relatively modern binding and the wormholes that did not match. The wormholes "made us feel that the two pieces did not belong together, and we did not quite know the reason". Yale did not buy the map but arranged with Witten that, should he sell it, Yale would have first refusal.

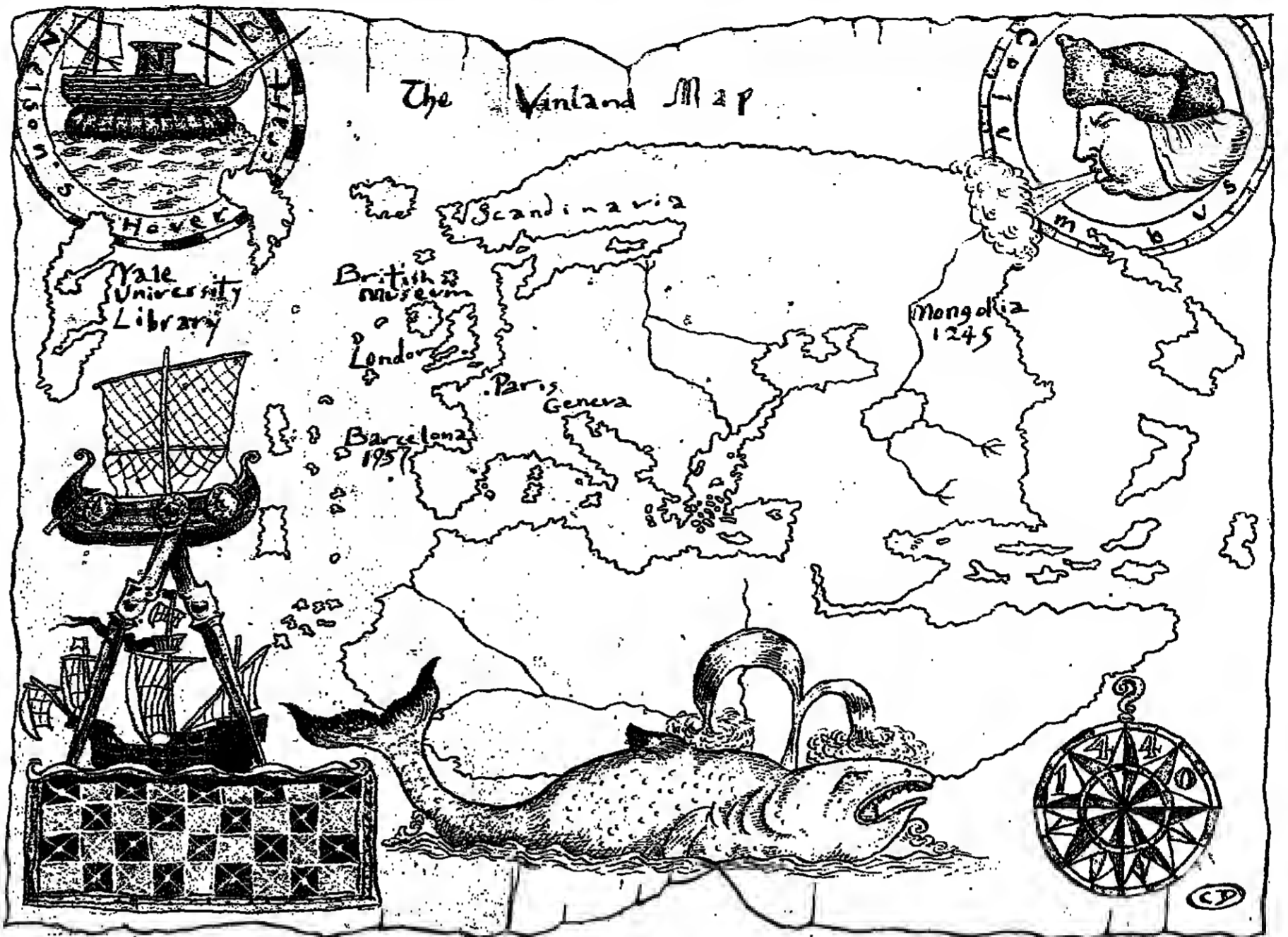
There, the map's story may have ended, quietly tucked away and forgotten in a private library - but for a rare stroke of serendipity.

Marston ordered from the catalogue of the same London antiquarian bookseller, a fragment of a 15th century copy of a 13th century document entitled *Speculum Historiale*. He showed this to Witten who made the incredible discovery that, like a missing jigsaw piece, the *Speculum's* various wormholes physically

matched those both in the Vinland Map and the *Tartar Relation*. Thus was reunited a collection that had clearly once been bound together - strong evidence for a 15th century origin of the map.

Yale now wanted to buy the documents but found that they had, unsurprisingly, gone up in price and that they could no longer afford them. Fortunately, an anonymous millionaire philanthropist bought all three for about \$100,000 and gave them to the university library. Six years of detailed study by a team from Yale and the British Museum followed. Convinced that the map was genuine, the controversial book that brought the map to the world's notice, *The Vinland Map and Tartar Relation*, by Skelton, Marston and Painter, was published in 1965.

The map caught the public attention. It was exhibited publicly in the



US, London and Scandinavia, its photograph appeared in *The Times* and newspaper cartoons showed Vikings arriving in New York led by the Vinland Map.

However, some thought it an impostor and doubts about the map's authenticity remained. During its world tour stop-over in London, the map underwent simple tests with ultra-violet light and low-power microscopy, that suggested that the ink was unlike any other known medieval ink.

Added to this was the mystery of where the map had surfaced. Witten was sworn to secrecy and steadfast in his refusal to reveal its "provenance or pedigree". Another troubling feature was the apparently accurate outline of Greenland and, in particular, its depiction as an island - knowledge unavailable until the last century.

The sceptical voices grew louder and Yale felt compelled to initiate its own investigation.

McCrone Associates of Chicago analysed minute particles of ink from the map and came to the dramatic conclusion that the map was a forgery. The ink contained crystals of titanium dioxide in a form that could not, according to McCrone, have been produced earlier than about 1920 as the crystals are the result of a reaction carried out at high temperature - 800°C to 1,000°C - conditions not achievable in the 15th century. It was this scientific evidence that dealt the near-fatal blow.

There were many other reasons for doubt: the unique medieval ink; a small part of the English coastline where the ink and its underlying stain appeared not to match, suggesting to some that a forger had made a mistake; the uncanny accuracy of Greenland. Under the total weight of these

question marks, Yale resigned itself to announcing in 1974 that the Vinland Map was a fake. With a touch of humour, Walter McCrone likened the probability of finding this crystal form in a medieval ink to the fact that "Nelson's flagship at Trafalgar was a Hovercraft".

While humanist scholarship could raise doubts and generate debate that could run and run, scientific evidence appeared incontrovertible. Consequently, most early believers

**Painter's preface is a stinging attack on the map's critics and demolishes arguments put by opponents**

renounced their faith.

But just as science and humanism combined to cripple the map's reputation, so have they since joined in its restoration. In 1988, the controversy that had never gone away was re-ignited by a team at the University of California who re-analysed the map ink using a technique not previously available, PIXE - particle-induced X-ray emission.

They came to a very different conclusion from McCrone. They found much less titanium and, as only one of a multitude of minor elements in the ink, it could not account for the colour. So, far from playing a leading role in a modern ink, they concluded that the titanium dioxide makes just a cameo appearance as a minor contaminant in a genuine

medieval ink. Moreover, the same group found titanium in the ink of another celebrated 15th century document, the Gutenberg Bible. As with the Vinland Map, this too was unexpected for a medieval ink; but no one doubts this bible's genuineness.

McCrone has rebutted these claims, saying that the PIXE techniques are inappropriate and that the two sets of measurements are not directly comparable. McCrone wrote: "There is substantial disagreement between McCrone Associates and the University of California, Davis. They report much less titanium in their samples than we find in the ink itself."

So after three decades, do we yet know whether the map is authentic, or not? Some are still convinced that it is a forgery but Yale University Press was sufficiently confident in the map's renewed credibility to mark the 50th anniversary of the original revelation by publishing a new edition of *The Vinland Map and Tartar Relation*.

This contains new arguments and a new preface by George Painter, the only surviving author and probably the only person who has steadfastly stood by his belief in the medieval origins of the map. This preface is a stinging attack on the map's critics and demolishes many of the arguments that have been standard ammunition for its opponents.

The main piece of damning evidence is that the ink contains a modern artefact. Painter points out that the very high temperatures required to produce titanium dioxide crystals of the modern type, and which are "inconceivable as a 15th century process", were in fact often reached by medieval chemists. Ironically, there is even evidence for this from the archaeological re-

mains of the Viking settlements in Newfoundland where the charcoal-fuelled smithy has been estimated to reach temperatures of up to 1,200°C.

Californian research also found numerous other elements such as might be found in cruder medieval inks. Painter makes his riposte to the analogy drawn by McCrone by saying that, "having found supposed evidence that Nelson sailed on a Hovercraft, McCrone deduced that Trafalgar could not have occurred before the 20th century".

Of the drawing itself, the principal criticism is that the outline of Greenland is good - too good. No one at that time, the critics say, could have known that Greenland was an island, nor could they have drawn the coastline so accurately. Yet, Painter points out that it was referred to as an island in papal letters on many occasions before 1440 - even as early as 1154.

In fact, Greenland was drawn as an island on many maps dating not much later than this period. Painter argues that the basic shape of the cape of Greenland was known and that the crinkly coastal outline, while appearing superficially to resemble the fjords and inlets, is simply standard coastline for any unknown part of the medieval world.

Furthermore, Painter describes again the restoration that the map underwent at Yale in preparation for exhibition in 1966. It was noticed then that the oak board covers that had originally bound the set of documents had, about 100 years previously, been detached, covered with paper pastedowns, then replaced upside down and in reverse.

When Yale removed the paper pastedowns and replaced the boards in their correct medieval positions, the wormholes in the board that

had been hidden, were found to match exactly those in the Vinland Map. It certainly seems remarkable that such a serendipitous discovery was contrived by a forger decades before.

It would be facile to paint this controversy as a struggle between old-fashioned humanist scholarship and modern scientific technology. Yet science, which in the eyes of some is supposed to be capable of giving absolute answers in such cases, has merely added another layer to the argument.

Ultimately, of course, both scientific and historical research depend on human interpretation. In the preface, Painter writes of the forgery theory: "Humanism appealed in its own bankruptcy to science which gave the right answers to the wrong questions." Forgery advocates, on the other hand, would say that humanism led to scientific proof of a fake.

Unlike many academic debates, this one has a clear answer. The map is either authentic, or it is not. With the book's re-publication, the consensus seems to have moved to a rehabilitation of the map. Even more exciting is investigative work yet to be fully published, into the map's history. This suggests a provenance for the map that dates back to the 16th century and even involves the descendants of Columbus, leading to the real possibility that the famous explorer saw the map.

Knowledge of Vinland may have been fairly widespread among seafarers around this time. Columbus, of course, was not interested in discovering America - or Vinland. He set off to discover a route to the East Indies. Meanwhile, the Vinland Map's own Viking saga through recent, or not so recent times, continues.



Sir Peter Ustinov: whatever he says, he can act British nicely

Lunch with the FT

## The flame that still burns

Nigel Spivey is entertained by Sir Peter Ustinov

They were already on to him. Nightingale to him. *Beethoven's Tenth*. A certain Core Somebody shooting double-barrelled in *The Daily Telegraph*. The notices were not likely to swell the morale of any author or actor, even one with a half century of worldwide experience.

"I haven't seen the reviews," I fibbed. "Have you?" He scowled as he settled into his seat. "The public keeps its own counsel," he muttered. Our photographer, sensing that this overture was unlikely to yield a happy portrait, thrust an old photograph towards him. "Look, Sir Peter. This was the last time I took you. Billy Budd, in 1957."

A waiter bore down. "Drink, Sir Peter?" Cheered up in an instant, Sir Peter began to do what he does best. He entertained us. "Drink? Of course not. You know velly well it is most strictly forbidden by Moslem law."

"Hang the critics," I chimed. "I've just been in the box office. It's a cacophony of people calling to book tickets."

We were gathered in the house restaurant of Chichester's Festival Theatre, where Peter Ustinov has opened a

season in the title role of his own play, *Beethoven's Tenth*. He is staying in nearby Mid-burst where, as a boy, he was encouraged in literary ambitions by the likes of H.G. Wells and Hilaire Belloc. At the age of 75, I asked, where did he find the energy?

"You see? Critics haven't despatched me yet. And this is an open stage, where I have to act with my back to. I treat this as a sort of sabbatical. Back to my roots as an actor. I can act for 2½ hours at a stretch. But after five minutes at a cocktail party I have to sit down. It's a question of focus."

A menu appeared. Cue opinion. From man domiciled in Switzerland, on British livestock matters. "You should understand how we see it from the Continent," said Sir Peter. "To feed herbivores with the decomposed brains of their ancestors is hideous. You wouldn't do it to your own grandmother in Papua [New Guinea]."

He looked about the sea of empty tables surrounding us, wistful for a wider audience. "But I think people in Europe feel more than goodwill for the British. They feel compassion. And, of course, the British find

that deeply burthol. Do I begin to sound like an Anglo-sceptic?"

I shrugged. "Aren't we all, as a matter of national identity?" "Oh, but no, my dear chap. No. At public school in Westminster - brutal then, but quite all right now girls have arrived - I should really have

**As Dr Johnson, or Socrates, or Poirot, or even Nero, Sir Peter has always been plausible**

learned how to be British, and pass myself off properly, like that Romanian-born home secretary, and other front bench ministers."

"Romania? Home secretary?" "You allude," I groped, "to Michael Portillo?" "Precisely. So obviously once the school prefect. Even got the proper British parliamentary machine-gun sta-sta-sta-stammer you use when you're searching for the wrong word. That should have been me.

with my wing collar and furred umbrella. But I never dared unfurl my umbrella because I knew what a struggle it would be to furl it again."

Whatever he says, he can act British nicely - and has just done so, in a film about Stiff Upper Lips in Imperial India. And as Dr Johnson, or Socrates, or Poirot, or even Nero, Sir Peter has always been plausible despite the recurring critical charge that he is more of himself than any persona. So what drew him to Ludwig?

"I'm fascinated by him. He was so impetuous, disruptive. I'm fascinated by the women who inspired him, too. And by his illness, that endless imprisoning silence. In my play he gets a hearing aid, which is a terrible shock. He suddenly bears all his works. The deafness was both his misfortune and the cause of all he did."

Simon and Garfunkel crooned over our asparagus. "Beethoven is also the supreme example of a creative artist who's modest," continued Sir Peter, "until he's attacked."

"Why are you sore about critics?" I asked. "As you say, they cannot kill. You carry on."

"Russia is where my plays are performed best. That is because what I write is serious, and only funny when taken extremely seriously."

Our waiter brought us summer puddings. There was football to be watched that afternoon, before the evening show. It was a matter of some chagrin to Sir Peter that he had been forced to give up tennis, since he has a standing challenge to a game from the Pope.

Apart from that minor retirement, there is no sign that the man's hard gemlike flame is burning out. He is finishing another novel: the last, *The Old Man and Mr Smith*, has topped sales of 500,000 in Germany. He is still Goodwill Ambassador for Unicef, keeping sharp his ability to mimic hilariously world leaders. He has been asked to direct at the Bolshoi, and his list of forthcoming one-man shows around the globe is far-fung.

"Where are you heading for next?" I asked. "Seventy-six."

"And beyond?" "My passport expires in 2000. I should hate to anticipate. It would be such a waste."

■ Peter Ustinov is appearing in *Beethoven's Tenth* at the Chichester Festival Theatre (01243-751312) until July 21.

FASHION

# Dangerous liaisons between pregnancy and clothing

Shop carefully, says Jane Mulvagh, and you can retain your individuality

**T**he Madonna del Parto of Piero della Francesca and Jan van Eyck's "Arnolfini Marriage" are two of the most iconic depictions of the allure of expectant motherhood in the canons of western art.

How can we replicate the joyous, colourful and celebratory quality of clothing worn by these two mothers today? What to wear when you are pregnant? It is an eternal problem for the modern woman who finds herself surrounded by speciality shops but can only find practical compromises and nothing that sends her heart racing.

Why is it that most high street retailers presume that pregnancy causes women to want to join the army of mumsy matrons? Why should they want to retire into the nanny-like hues of navy or black?

Then there are those finicky cardboard-beige floral sprigs on a flat navy-blue ground, reminiscent of an old Laura Ashley frock rinsed in workman's tea.

Avoid widows' weeds - black, navy, sand and khaki - and opt for triumphal colour. But keep to that one colour and banish those fearfully exuberant, clashing Hawaiian prints that seem to work on the sofa principle: the bigger the bulk to cover the larger and more garish the flowers should be.

What the outfits selected here have in common is that each is based on designs that preceded the first world war long before fashion designers espoused the androgynous look of the adolescent boy. They are derived from times when society delighted in voluptuous, fecund women and championed the shapely difference between the sexes. Both the artist's and couturier's craft paid tribute to the possibility of issue, rather than suppressing or disguising it.

If you are the kind of mother-to-be who will boast that she produced her child having gained only 14 stone (94kg), then you need read no further. I am addressing the many women who, by their sixth or seventh month, are carrying two or three extra stone of weight and trying to cope with a hot summer.

Some do this by resorting to camouflage tactics. But why not flaunt your condition in celebratory joy? Most high street retailers seem to assume that you have undergone a "taste-ectomy" as soon as you conceive and that any aspiration to flair or individuality has been cut out of you - that style and pregnancy are mutually exclusive.

On most of my visits to such

places I just stood and marvelled that women would pay good money for these offerings of ugly purdah or cute girly rags. The bow 'n' bunny knickers with "Lady in Waiting" printed along the elastic waistband had me laughing in disbelief. Well, save your feet this summer. Forget the maternity wear departments, forget those well-known shopping mall specialists and select from non-maternity wear. Yes, you can keep your charm and idiosyncrasy.

The golden rules are proportion and simplicity expressed in monochrome, not pattern. The body needs as much streamlining help as you can muster, so do not splice your torso into layered sections with trousers, blouses and cardigans. Opt for the single-colour dress.

Strangely, many maternity dresses feature a dropped waist

**The golden rules are proportion and simplicity expressed in monochrome, definitely not pattern**

which not only throws into relief the least flattering area of your body - with a whacking great seam across the belly - but also detracts from your best asset, a Dangerous Liaison décolletage.

The answer is, the princess line. Choose a dress that cleaves to your bosoms above a high waist and then falls from the upper rib cage in controlled fullness.

Focus all decorative attention around the head and *poitrine*, for your complexion has never looked better. A pirate's booty of pearls or glass beads hung around your neck will keep all eyes above your waistline.

If the weather is cool instead of layering on undulating jerseys and hide-all jackets, choose a neat thermal vest under the dress or toss a magnificently coloured wool shawl around your shoulders.

Cyclamen, vermilion, saffron, rose or indigo shawls can be found in the Indian boutiques along Brick Lane in Spitalfields or Southall High Street for about £12.

I propose four finds for the summer - all dresses. For everyday wear, the pure cotton kurta from Egg at £112 is romantic, practical and affordable. The high-waisted dress fastening to one side along the



shoulder is a copy of the traditional robe worn by Rajasthani milkmen. It is tied with cotton ribbons at a high waist, where it is gathered into several hundred tiny tucks and from where it falls generously to the mid-calf.

It is blissfully comfortable. Asha Sarahal, the proprietor of Egg who has collaborated with Issey Miyake for many years, has dyed these crisp, light cotton dresses in a myriad of happy colours, such as lilac, Cadillac-pink, peony-pink or orchid-red. The sleeves are long so a sensible bra can be hidden and, since the dresses

are front-opening, you can easily nurse your child after it arrives.

For smarter occasions I would recommend Vivienne Westwood's "Watteau" dress at £225. Cut from a bold gingham reminiscent of a French bistro tablecloth, the dress features a wide, flying panel that falls free from the shoulder blades (a fashion captured by the French painter Jean Antoine Watteau in the 1780s). This covers a multitude of sins to the rear. Glorifying in your décolleté, of Comtesse du Barry proportions, the neckline is cut to a Louis XV-pleasing depth from a stand up-collar (reminiscent of the kind worn by the debonair gentlemen painted by Jean Auguste Ingres). Pretty amber buttons close the front from cleavage to mid-calf, again allowing easy access when needed. Once your figure is restored, replace the cloth belt and you will still enjoy the charms of this dress.

The third find is a summer coat, easily converted into a dress, from Voyage, 116 Fulham Road, London SW3 6RL (0171-829 9881). Flowing from a high yoke, it is cut in either crisp cotton piqué for £495 or silk for £895.

This dress is reversible: one side is trimmed along the front-fastening edges, sleeves

and collar with contrasting velvet ribbon. The other is plain.

Two satchel-like pockets on the hips lend it the air of an artist's smock. Azure-blue, peridot-green, shell-pink and a Medician brocade are the prettiest options.

In summer you will be loath to submit to the discomfort of tailored evening wear which will give the appearance of an over-stuffed, tightly uphol-

**Many maternity dresses feature a dropped waist with a whacking great seam across the belly**

follower of the Rational Dress Movement, Mario Fortuny. The permanent pleating of their Delphos gowns is so robust that once you spring back into shape you will still want to wear these Grecian classics. Typically, they fall from a flattering empire waistline.

Most obstetricians will recommend that you consistently wear support tights but you can avoid those tannin-coloured micro-mesh varieties, described as "American tan", as if anyone would aspire to that lurid, out-of-a-bottle look.

If, on the odd occasion, you want a finer denier, go for Daniel Bourden's comfortable and chic hosiery, from 7 to 15 denier (£7-£12). He also provides a good, deep opaque tight. It is reassuring to know that he only offers black, navy and natural.

Leggings have become the modern-day equivalent of the housecoat or peignoir. It is perfectly understandable that at home they are practical and that for many women one of their proudest assets - as the centre of their body expands - is a great pair of legs.

But the rear end of only one in a hundred women looks any good in a pair of these unforgiving items and there is something faintly ludicrous about wearing sports clothing when you can hardly walk, never mind sprint, down the street.

Furthermore, do you really want to look like every soap-star mum who seems to have failed to get round to dressing this morning?

For the final alluring touches of femininity, keep cool with a white feather fan held by an imperial red wooden handle from Chinatown for £2.50; and for a Flemish touch, fasten a Hans Memling-style collar in crisp white antique lace across your shoulders. These can be found in secondhand clothes stores, antique costume specialists and church bazaars for between £15 and £40. Once you have tired of it, sew it on to the christening robe or your child's best party dress.

Wearing your bold statement of celebration, not in humbling disguise or faux-girliness, I guarantee that every time you board a crowded bus you will be offered a seat and that even when it's pouring with rain on a rush-hour evening, you will be given the first empty taxi. Admirers will step aside in appreciative respect for a mother-to-be.

For left: Pleated silk dress, from £1,000, by Charles and Patricia Lester, available from Harrods of Knightsbridge (0171-730 1234) and Liberty of Regent Street (0171-734 1234)

Left: Navy blue gingham dress in viscose/rayon, £225, by Vivienne Westwood, 6 Davies Street, London W1 (0171-829 3757)

Right: Peony pink cotton Rajasthani milkman coat, £112, from Egg, 36 Kensington Street, London SW1 (0171-235 9315)

Daniel Bourden hosiery is available from Formas, 39 Brook Street, London W1 (0171-463 2783)

Drawings by Julie Verhoeven



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Jan van Eyck's "Arnolfini Marriage": iconic depiction of the allure of the expectant mother

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HOW TO SPEND IT

# Nothing more chic than a battered panama

The famous hats from Ecuador justify their reputation, says Lucia van der Post

**O**n a hot summer's day, there is no hat more perfectly judged, more utterly appropriate for an Englishman than a panama. Its status in the fashion stakes only varies slightly: it is never so "in" as to be featured on the heads of the prettiest fillies at Ascot, and never so "out" as to disappear entirely.

It holds an enviable position in the pantheon of classic headgear. Worn by many a distinguished figure from Napoleon III and Edward VII to Roosevelt and Churchill, Gary Cooper and Orson Welles, in the world of straw hats it has no equal.

Panamas are an authentic, effortlessly chic, ethnic dress, which can be worn as stylishly by the peasant toiling in the fields as by the statesman at an international summit. Neither needs to be told that the panama should be worn slightly limp and casually tilted over the face. It should never look too formal.

Most of us know by now that proper panamas, those made from the finest fibres of the jipijapa plant, come, confusingly, from Ecuador. Only the split leaves of the jipijapa can give the hat the softness and resilience that are part of the charm of a true panama.

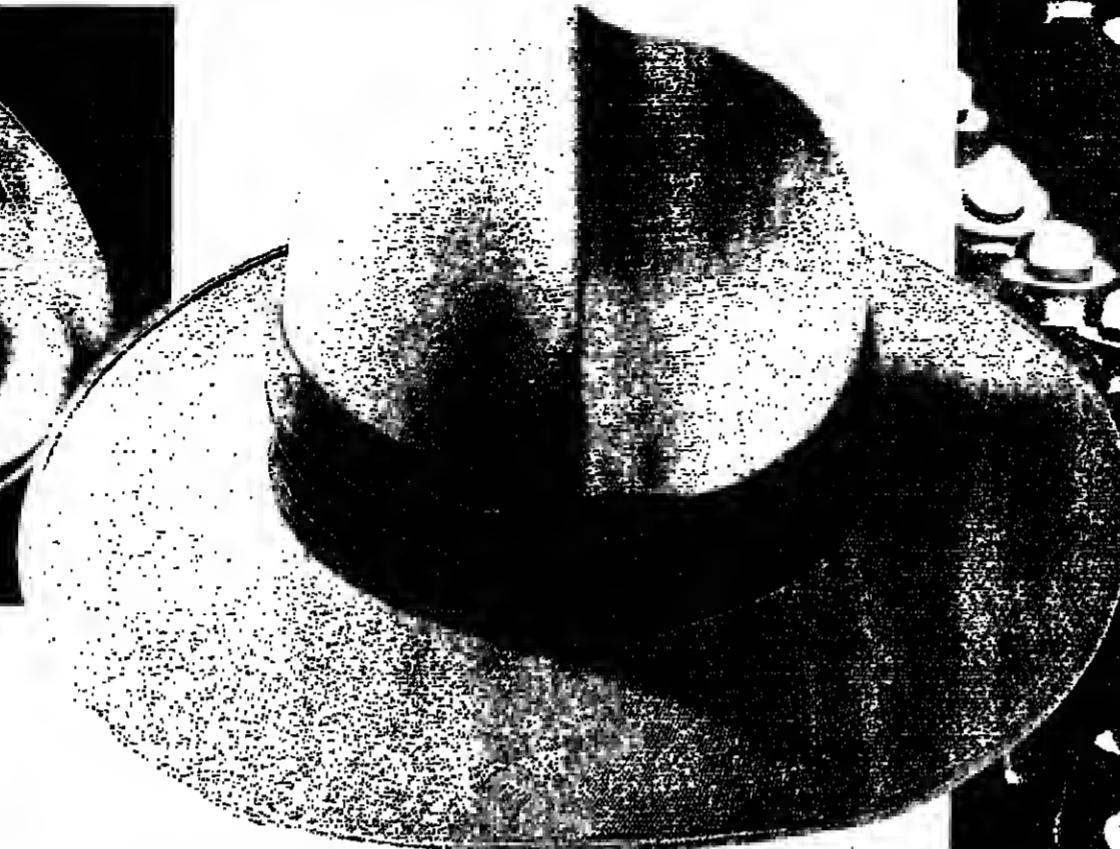
You can tell an authentic panama because it has a ridge over the centre of the crown, and a 5cm brim hat, above all, you can tell it because it has a stamp inside indicating that it does indeed come from Ecuador. It can be folded along its crown, packed almost flat, and emerge looking as fresh as when it left its native shores - of Ecuador. The hats were called panamas after they came to wider notice when worn with a swagger by the gold diggers of the Panama Canal in 1851.

Nevertheless, panamas can vary greatly in quality - the fibre chosen, the expertise of the weaver and the time spent creating it, all affect the finished quality. Making a fine panama is, according to a beautiful book on the subject, generally a dying art but it is still alive and well in the small village of Montecristi. It is generally agreed that the finest of the fine panamas originate from here. The weaving of the split jipijapa leaves is a matter of family pride and whole families depend upon this age-old craft for a living.

It takes at least three months to make a "Montecristi" of the sort that the Paris firm of Montecristi sells today. But old Ecuadorians recall the days when some of the finest weavers would take eight months to turn out the most incredible of panamas, a "fino-fino".



An authentic Montecristi panama has legendary suppleness; centre: Montecristi's perfumed colonial style and (right) the Australia delegation at the 1964 Olympic Games march under their panamas



The fineness of a hat can be judged by the quantity of rows that make up the crown and the more there are, the finer the weaving. It is reckoned today that there are only a dozen weavers capable of making the "Montecristi serenos", those with the maximum number of fine lines of raw making up the crown.

First, the men separate the leaves to fine ribbons which slowly begin to take form between their fingers. Then they begin to weave. Once the hat shapes have been formed, they are usually shipped abroad (in traditional cotton pouches) and then steamed and locked by the ultimate purveyors of the hat in the US, Paris or elsewhere.

There are many places to buy panamas and many qualities to choose from. Most department stores with a good hat section offer a panama or three. At Herr Johnson, of 30 New Bond Street, London W1, you could bend as little as £35 for the roughest straw panama, £110 on what it calls a basic Monte Cristi panama, or £250 for one of better quality. The finest quality, a Super Fino Monte Cristi Folding Tribby Panam is so supple it can be rolled into a cone slim enough to pass through a napkin ring, cost £275.

Women's panamas range from £89 to £200, although there is nothing to prevent women spicing out on the finest Monte Cristi for themselves.

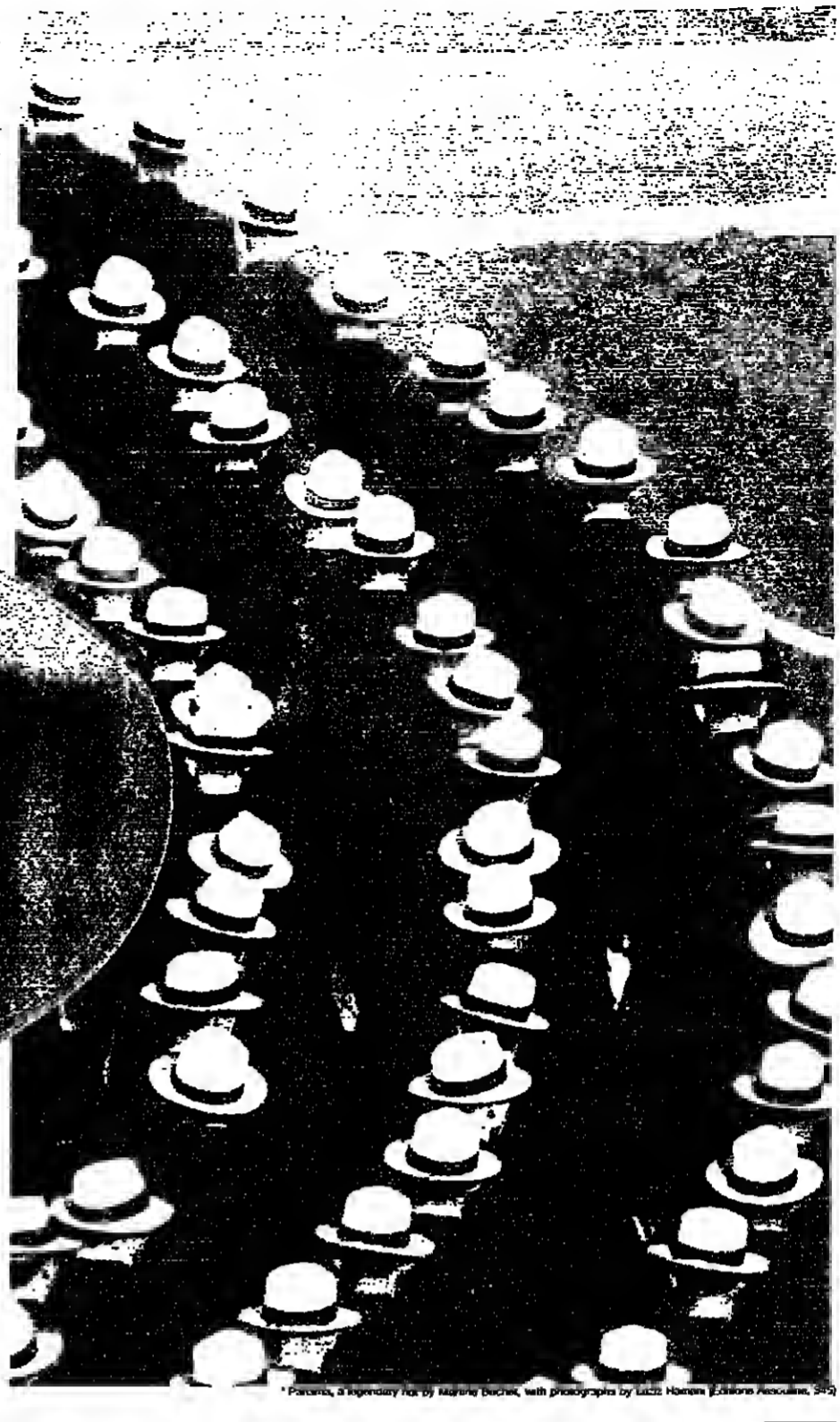
In most department stores you would probably find a panama of sorts for as little as £50 for a roughish straw.

Dickins & Jones of 224 Regent Street, London W1, and the well-known Parisian milliners, Panama Montecristi, are holding an exhibition of some of the finest of their hats on the ground floor of the store until the end of August. There are about 40 different models, ranging from the most traditional - the "Colonial" and "Borsalino 30" - to the "Bor-

salino Dandy", the "Gabin" (planteur shape), the "Milord" (melon shape) and the completely rounded "petit Breton", the wide-brimmed Esmeralda.

A classic Panama which could be worn by women or men is £70. Enchantingly trimmed versions suitable for weddings, Ascot or garden parties range from £200 to £500, and there are just two superlatives left at £700 each. There will also be a good selection of children's hats on display. The best, most classic finish

to a Montecristi panama is a plain black band. If that seems a little funereal do not be tempted into anything fancier than a band of navy grosgrain. And remember, too, that if the price of the Montecristi seems daunting there is always one consolation - the true panama hat lasts almost forever. They can be washed, folded, crumpled, packed and still they emerge forever wearable. There are some who believe that there is nothing so chic as an old and battered panama.



Panama, a legendary hat by Marina Bouché, with photographs by Lucie Haines & John Rowland, V&A

## A slice of the action

**A**nybody who follows the quirky tastes of the designer set will know that there is only one toaster to have and that is the Dualit. It is odd that it has come to seem so modish for it was designed and produced some 50 years ago by Max Cort-Barton, who arrived in England after studying engineering on the continent and working in radio intelligence and aircraft production.

His company started off by designing element electric fires with reflectors and then produced the first commercial toaster in the UK. Dualit is still a family business, still based in south London. Although the Dualit toasters

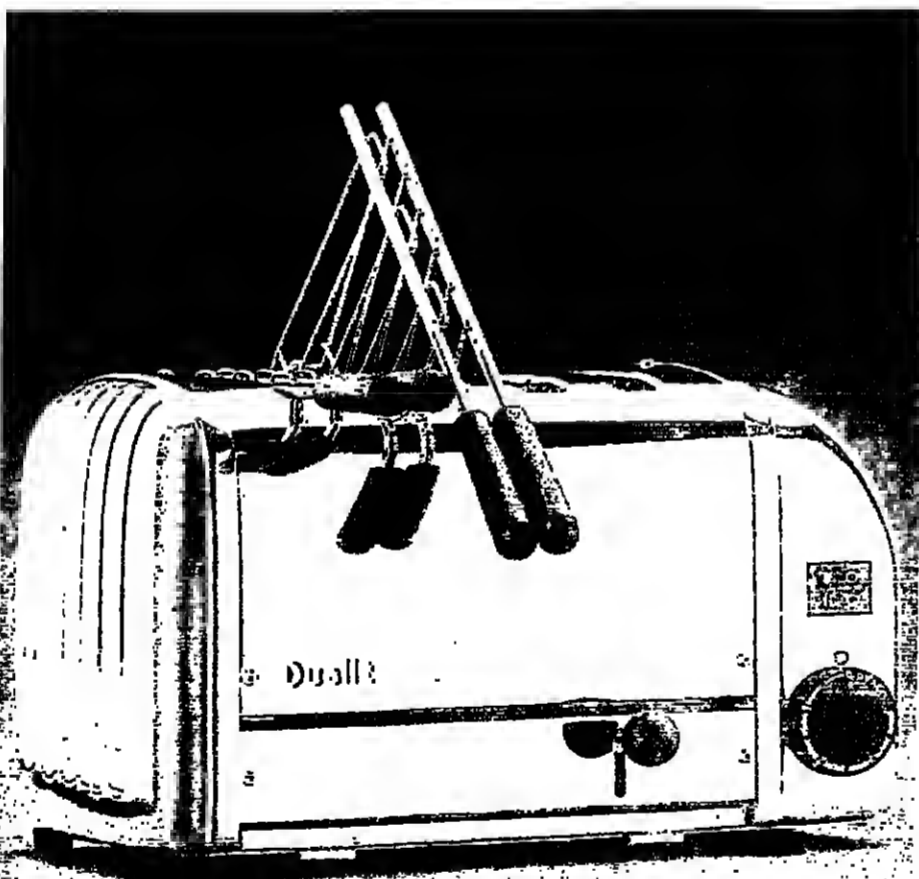
seemed to spend years in the design wilderness, appreciated only by those with commercial kitchens to run or with a slightly arcane interest in industrial products, it first became the darling of the matt-black designer set in the 1980s.

Like most products which develop a cult following there is a sound reason - it looks sturdy, its polished chrome casing speaking of its practical role. It toasts the bread evenly and well, since it has a special heating element not found on domestic toasters. They are still hand-made and while to my mind the plain chrome is the most appealing, there are other colours (canary yellow, cobalt blue, mint green, utility

cream, black and white). The most popular of the Dualit range are the plain two-, four- or six-slice bread toasters - they come with splendid testimony to the number of slices per hour (should you need 500 in record time). Very popular, too, is the sandwich-toaster which also toasts waffles, bagels, teacakes and crumpets.

A bigger version of the sandwich-toaster has been launched just in time for the school holidays. It can toast 60 slices of toast and 40 sandwiches an hour. The existing version sells for about £125, and the newer one for £215 from good kitchen departments.

L.v.d.P.



The Dualit toaster does heavy-duty work: don't get browned off if you need a lot of toast

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مكتبة الامير

SPORT

Cycling

# Indurain hopes to join the 'greats'

Huw Richards considers the start of the Tour de France

**S**inging Indurain was the nickname bestowed by cycling's English-speaking punsters, following the president inflicted on the league player "Charlots" Offiah. Today, when Tour de France rivals contemplate Miguel Indurain, they must feel more like screaming.

His dominance is unprecedented in the 93-year history of the world's greatest cycle race. The Giro d'Italia may be tougher but the Tour - like Wimbledon and golf's Open - is the oldest and best, attracting the strongest fields and vast audiences. An estimated 18m or one-third of France, will watch from the roadsides.

To historians Richard Holt and J.A. Mangan, the Tour is indisputably heroic and, in a sense, has come to define the very idea of the hero in Europe.

It takes extraordinary men merely to complete the race. Its physical demands have been likened to running a marathon every day for a month. The importance of every single rider is acknowledged by the tradition that the winner's prize-money is divided between his eight team-mates.

Other opportunities will make Indurain rich anyway. Tour winners - even potential winners - are a rare breed.

Perhaps a dozen or nearly 200 riders who assemble next Saturday in the Dutch town of s'Hertogenbosch - there are few years when the race does not cross borders - will entertain serious hopes of topping the podium in Paris on July 21.

Most are cycling's Foot Bloody Infantry, devoted to supporting team leaders. Specialist sprinters may win most stages, but have no chance in the decisive phases - mountains and time-trials.

This is where minutes, and Tours, are won and lost. Even these favour different physical types. The best climbers like Italian Marco Pantani - capable of speeding up Alpine roads so steep that, as one writer puts it, "the tar seems to defy gravity by sticking to the road" - are generally small and wiry. Masters of what the French sardoniously term *covres* - *covres* means to be heavier and more powerful.

A Tour winner must be master of one and among the best in the other, a combination so rare that only 11 have won since 1969 - six going on to repeat victories. Three other riders share Indurain's record

of five wins, their eminence emphasised by the absence of anyone on four.

Belgian Eddy Merckx, dominant in the early 1970s, was nicknamed "The Cannibal" for his sheer voracity - uniquely winning the mountain and consistency prizes together with the main race. France's Bernard Hinault, his wins spread from 1977 to 1985, dominated through physical power and force of character.

Indurain's style is closer to the first five-timer, France's Jacques Anquetil, the incomparable time-trialist. The solo race against the clock is the least dramatic or obviously heroic of the disciplines. Anquetil was never as popular as his eternal unavailing pursuer, Raymond Poulidor.

Indurain has never commanded the huge affection accorded Italian Claudio Chiappucci, whose percentage-rejecting desire to attack at all times is to cycling what the early Seve Ballesteros was to golf.

Utter dominance of Tour time-trials has underpinned Indurain's unique feat of five consecutive wins. But there is more to him than desiccated calculation.

His early reputation was made by his climbing in support of compatriot Pedro Delgado, winner in 1988. Physiological freakiness - the lung capacity of a small elephant and a resting pulse rate of only 28, comparable with Emil Zatopek and Bjorn Borg - contributes to his famed impassiveness and his extraordinary consistency.

Tour lore insists that every rider must have at least one bad day. Indurain, the most scrutinised rider in the race, has them less obviously and recovers more quickly than anyone in recent history.

Tour giants induce a sort of despair in rivals. Indurain, 31, has seen off a swathe of contemporaries - Italian Chiappucci and Gianni Bugno; France's Jean-Francois Bernard and Charly Mottet, Dutchman Eric Breukink - once seen as potential Tour winners. Only Switzerland's Tony Rominger, 35, and the Dane Bjarne Riis, 32, both late developers, survive as serious threats.

Both should challenge this year. But the odds are that Indurain's eventual conqueror will be some younger. France's Laurent Jalabert, 27, has developed astonishingly from a specialist sprinter into an all-rounder capable of dominating last year's *Vuelta a*



In the mountains: Indurain in the Alps during last summer's Tour

Spain - third of the great tours - with Merckx-like voracity.

Switzerland's Alex Zülle, 27, was a credible second last year. Spain's Abraham Olano, 26, and American Lance Armstrong, 24, have already won world road-race titles, while Russians Evgeni Berzin, 26, and Pavel Tonkov, 27, are both Giro winners.

Italy's Ivan Gotti, 27, performs consistently well in the great tours, while Britain's Chris Boardman, 28, could be a contender if he can match strong climbing to his formidable time-trialling.

But this year? Probably not. Indurain has given notice of his intentions, hinting at fallibility by losing time to Jalabert and French climbing specialist, Richard Virenque, in the prestigious *Douphine Libere*, then devastating his rivals with a majestic mountain-stage victory to claim both race and a huge pre-Tour psychological advantage.

On July 17, the day after Indurain's 32nd birthday, a ferocious mountain stage which includes five top-category climbs will coincide over the Spanish border in Pamplona, a few miles from his native Villava. If he is in the

Tennis

# Six seeds rudely uprooted

John Barrett on the winners and losers so far at Wimbledon

**W**hat a week it has been. With seeds being uprooted by the hour and British men roaring into the third round, there's almost a surreal atmosphere at Wimbledon this week.

Only one seed in the open era had six seeded men lost in the first round and never since the seedings were introduced in 1927 had the No.3 women's seed been beaten in the second.

The slaying may not have quite been of the scale of Paschendale's sessions were running hot - especially among his supporters - when it was realised that seven British men had won through to the second round for the first time since 1976.

Perhaps the most surprising in the world... or maybe it was the thought of all that lovely prize-money... or even the early saps of England's football team.

On day one there were three earth-shattering losses, one after another that would have registered on the Richter scale. All the losers were Americans, all were former Grand Slam champions. First Michael Chang (6), the 1989 French Open winner, crashed out on Court No.2, the arena known as the graveyard of the seeds. Then his conqueror, Alberto Costa of Spain, had something to prove. In the absence of wild No.10 Marcelo Rios, Costa would rank of 17 had just a seeding place but he had been overlooked in favour of the lower ranked man, Stefan Edberg and Todd Martin.

The victory over Chang was a perfect answer to the seed's committee.

For Chang who had beaten Costa easily Wimbledon two years ago, it was hard to understand what had happened. "Alberto was playing some pretty good tennis today. I just wasn't able to convert my break. His and that makes a 1/2 difference on grass," he said.

Hardly had the dust settled before there was news of another like upset developing on Court No.3. Former Australian and once Open winner Jim Courier (8) was battling against fellow American Jonathan Stark, the man who had won last year's mixed doubles title with Martina Navratilova. Courier, former coach, Brad Stine, is now coaching Stark. They obviously have the inside track on how to pit the No.8 seed's downfall.

Courier, smallest here in 1993, has us in the spring that for reassessing his priorities: the tiger was back in his tank. But he went out with a whimper rather than a snarl. Stark won in four sets.

The biggest crash came late in the day with the defeat of the popular favourite and 1992 champion Andre Agassi (3) by qualifier Dor, Flach, whose world ranking of 281 does not truly reflect his talent. Even as he walked off on the graveyard court I his new Nike gear long-evaded collarless zip-up shirt, his long, baggy shorts - Agassi had looked far from well, his pallor soon increased as he, no longer nervous, took the second set tie-break to win the match. Agassi's lack of match play (only four matches since the end of March) was glaringly apparent. He was playing from memory but offering from amnesia. He had forgotten how to play the tie points. Like a computer with a faulty chip, his brain was delivering the wrong messages. Instead of creating openings he went for reckless wins and hit himself to destruction.

"I've had better days of hitting a tennis ball," said Agassi ruefully. "but I hit a lot of nice returns and came in behind them, keep on the pressure." Commenting on his state of health he said, "I certainly haven't been feeling great, I got thru a few days back and missed a couple of days' practice. If I'd just been hitting a ball a little better I think I could have pulled it off." The aren't many observers who would agree with him.

Flach was ecstatic. "I'm as excited as you can possibly get. This is the highlight of my career. It was range the way I came to play tennis. When I'd come back from two sets in love down in the qualifying round to beat Anders Jarryd, the ATP guys asked me if I wanted to draw my opponent out of the hat but I said 'no,



Ten Henman early success

that would be bad karma'. But I did it anyway and said 'I'm going to draw Agassi if I do this' - and I did!"

It is to Flach's credit that he did not suffer a let down after this triumph and won his second round match against fellow American Jared Palmer after losing the first set.

The 7-5 5-7 6-4 loss of Monica Seles (2) to the powerful 23-year-old Slovak right-hander, Katarina Studenikova, was even more astonishing than Agassi's failure, particularly the manner of it. When winning her ninth Grand Slam title in Australia last January, Monica had shown all her customary courage in hitting her way out of trouble against Chanda Rubin in the semi-finals before overpowering Anke Huber in the final.

But when Jana Novotna had beaten her in Paris, Monica had admitted that for the first time in her life she was scared to hit the ball.

"I'll have to work out what happened," she said at the time.

On the evidence of Wednesday's match she has still not found the answer. Perhaps her 27 months away from tennis following the stabbing in Hamburg on 20th April 1993 has opened her mind to the possibility of losing. Before that she thought 'never entered her

head. She used to be totally focused and unafraid. Gunther Parche has a lot to answer for.

The early British charge gave the home fans something to cheer in last. True, the draw did throw Colin Beecher of Kent and Avon's Nick Gould together in the first round, but the others all beat men ranked considerably higher.

After Beecher had beaten Gould on the opening day, Chris Wilkinson set about Anders Jarryd, a former top 10 man who this year was a lucky loser from the qualifying competition, with such elegant assurance that he was home and dry almost before the Swedish Davis Cup player realised he was in trouble.

The real excitement came on Tuesday with the 7-6 6-3 6-7 4-6 7-6 success of British No.1 Tim Henman against Russia's No.5 seed and newly crowned French Open champion, Yevgeny Kafelnikov. That win, achieved after saving two match points with ace when serving at 6-5 in the final set, delighted a capacity centre court crowd and turned the 21-year-old Oxford man into an overnight hero.

"Until you've played in front of a crowd like that you can't understand what it's like. It's absolutely phenomenal. One of the reasons I was able to turn things round and pull out."

Henman's next opponent, year-old Luke Milligan, Middlesex, who has a rating of 278, was equally heroic, winning two five set matches against Sweden's Jonas Palm, ranked 64, and Lapent of Ecuador. In the first he was cramping, but he lost the fourth set, his opponent similarly cramping at the start of the fifth, proved the stronger. As he won the deciding set, Mark Petchey's 2260 over the Indian De-leander Paes and in Brown Deceano's straight set house in excellent condition rooms, 34 Canada's Dan Seguso, 240, tried to deceive Henman. Outstanding, and Russia's Andrei Medvedev, 240, proved the stronger. Yes, 6 June 96, excitement, normal.

Soccer

# Power and the glory

Peter Aspden looks back on the European Championships

players like Ellis, strong, fit, irrepressible, have produced the authoritative performances for their sides.

For a while, however, the fortunes of Euro 96 were in the balance. The second weekend, in particular, showed every sign of a tournament taking off after a customarily sluggish start. Paul Gascoigne's seemingly peerless goal against Scotland was followed the very next day by two more contenders for goal of the month. Jürgen Klinsmann's sparkling turn and finish against Russia and Davor Suker's audacious chip against the "unbeatable" Peter Schmeichel lifted the spirits of any football-lover.

Here were moments of world-class technique, expressed at the highest level of competition.

But the exquisite appetites were followed by the unimaginative stodge of the quarter-finals. Two goalless draws on the first day of the quarter-finals, decided by penalties, set the tone.

From here on, drama would replace football as the main focus of interest: Stuart Pearce's gripping exertions of Turin 1990, Clarence Seedorf's sad penalty against the French, and the final surfacing of those Dutch intra-squad squabbles. It made good copy, but it was not what people would remember in the years

to come. Then, the next day, came Germany's ugly encounter with an over-hyped-up Croatian side: another moment of rare fitness, as Suker delicately dragged the ball past Andreas Köpcke as if he were rolling an egg away from a baby's reach, was cancelled out by a series of malicious incidents involving players from both sides.

And finally, on to Portugal's England's defeat by Germany on Wednesday night was, as expected, the highlight of the tournament.

bizarre display against those doughty Czechs, in which the fancied (most of all by themselves) team of supremely gifted passers put on a half-hour display of gorgeous, quick-tempoed possession football but actually forgot that dragging defenders all over the pitch is all very well, as long as someone makes the odd amble into the penalty area. This game, at least, was

decided by another moment of high quality, but it was cruel on the Portuguese that Karel Poborsky's scoop-chip was only made possible by the kindest of ricochets off the defenders who surrounded him.

Until then, the Czechs had barely threatened to cross the half-way line. It should be remembered that events in normal time can be every bit as heart-breaking as the climax of a penalty shoot-out.

If the quarter-finals were disappointing, the first semi-final between France and the Czech Republic touched new depths. France, like Spain, had decided to sacrifice fair for a more practical, solid approach; but the biter was duly bit by those arch pragmatists, the Czechs.

Poor Youri Djorkaeff, who worked so hard to create something, only to come against waves of defenders blocking his path. He was given scant support by the over-rated Zidane and the team's rigidly approach to attack generally.

England's defeat by Germany on Wednesday night was, as expected, the dramatic highlight of the tournament. If some of the football was not of the very highest quality, here at least were two sides which were prepared to try to win, particularly in an absorbing extra-time period which made nonsense of the antic-

So what of tomorrow's final, and the favourites Germany? They should win, of course. The difference between them and the sides for which the Czechs have already accounted is in the pace at which they carry the ball in midfield (although they will miss Andreas Möller).

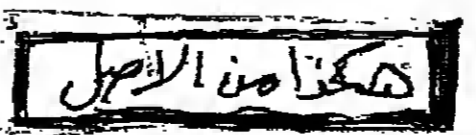
The defence has also looked formidable, although I get the awful feeling it will scarcely be tested by a Czech side that will park the midfield and search for space on the break.

That, said to say, is the pattern of so much modern football. And it is not just Euro 96 that has suffered. Although Brazil won the last World Cup, it was with a highly functional side.

The Denmark team which won the last European Championship was scarcely a role model for the beautiful game. One has to go back to the days of Marco van Basten and Diego Maradona to remember great players turning tournaments virtually single-handed. They were both finished by injuries (and, in Maradona's case, more besides), victims of the fierce competitiveness, pace and aggression which today dominate the game.

It is this, rather than quirkish refereeing, which is responsible for the endless procession of yellow cards and cruel suspensions which so diluted the entertainment offered in these championships.

The game's administrators, under fire for penalty shoot-outs, weak officiating and the innocuous innovation of the golden goal rule, now need to do some counter-attacking of their own.



OUTDOORS

Motoring

# A 4x4 for the young at heart

Is Suzuki's X-90 in the 007 or the Bond mould? Stuart Marshall reports

My first experience of fun cars for the young was chasising. "This," declared Ray Wiggin, then managing director of Reliant, "is the car for those who are too young to be square."

He was standing in the Orangery of Woburn Abbey and pointing at a three-wheeled machine looking like a giant jodipur boot on casters. "Try it," said Wiggin, speaking at the press launch of the Bond Bug. "You'll see what I mean."

I did. The definitive fun car of the day was still the Mini. Assuming he meant the bright orange Bug would go like one, I put it into a left hander in front of the big house at all of 25mph/40kph. The Reliant

employee sitting alongside me just had time to exclaim: "Remember, sir, it's only got three wheels." And there we were, rolling like a Labrador pup on the Duke of Bedford's lawn.

It was a comprehensive capsule. As the Bond Bug tipped on to its roof, sundry small pieces like wing mirrors and door handles flew off. It continued to roll. A second or two later, it had fallen back on its wheels. Experimentally, I turned the ignition key. The engine coughed and then caught. So I drove off, convulsed with laughter. The man from Reliant rubbed a bruised knee and confided: "That's the second time it's happened to me this week."

I was not surprised. If you

must make cars with only three wheels, there should be two at the front and one at the back. Do it the other way round and you have a vehicle that can be tipped over by a smartly excited three-point turn in a residential road.

The Bond Bug must be among the most unstable mechanically propelled vehicles ever made. The only rivals I can think of are milk floats and a thing called a Scammell Mechanical Horse, once used by the railways for local deliveries. They frequently fell over on corners. Milk floats swerving to avoid cats on an early morning prowling still do.

There is, I understand, a Bond Bug enthusiast club. Its members must be masochists

and their numbers cannot be large because most Bond Bugs will have gone to that great fibreglass recycling plant in the sky.

My Woburn Abbey escapade was nearly 20 years ago but is still vividly remembered. So when Suzuki asked me to try its new - and the words are Suzuki's own - "amazing, new, fun recreational and leisure vehicle, the X-90" - I had misgivings. In the event, they were unnecessary because the X-90 is at the other end of the spectrum from the Bond Bug.

The X-90 is essentially a restyled, two-seat version of the Suzuki Vitara, a compact on-off roader favoured by young women - and a few young men - around town. It is as pretty as a picture, has a 1.6-litre,



Suzuki X-90: as much fun as you would get in an open car

80hp, multi-valve engine and comes with selectable four-wheel drive if you think you may need it, rear wheel only drive (at lower cost) if you do not. A five-speed gearbox is standard, with a high/low transfer box only on the 4x4, which can also have four-speed

automatic transmission as an optional extra.

The old idea behind two-seat sports cars was that they would out-perform family saloons because they were lighter and more nimble on corners. The draughts and discomfort were all part of the fun.

The X-90 is not like that at all. To be frank, almost any "supermini" would see it off in the traffic lights grand prix and its top speed is a lowly 83mph/130kph (87mph/140kph for the automatic). And Suzuki warns that, because it is a high-slung vehicle designed to

be used off-road, it cannot be thrown around like a normal tarmac-bound GT.

None of which really matters. You do not have to shatter speed limits or behave like a hooligan to enjoy the X-90. Driven responsibly, it handles with complete security and power steering makes parking effortless. Take out the tinted glass roof panels, stow them in the boot and lower the electric windows and there is as much sun and fresh air as you would get in an open car.

The seats are large and comfortable, the boot squish ratchet rather than golf club sized and the ride not at all bad, bearing in mind that the X-90 will go over terrain you would not attempt in a normal car. Two airbags are standard and the insurance rating is a modest 6A.

Key-in-hand prices are £10,575 (manual 2WD), £11,375 (manual 4WD) and £12,325 (auto 4WD). Though all on-off roaders are thirsty, the 42-litre (9.2 gallon) tank could give a safe refuelling range of at least 270 miles (435km).

I never remember a finer high summer. The weather is clear but cool; it makes you realise how frightful the previous two summers became. The flowers on sun-loving shrubs have been spectacular after their third year of dry summer heat. We have never seen better lilacs and nobody with any sense would wish to show this month's flowering acacias a yellow card.

Warm weather does wonders in various ways for things which grow up walls. Everybody is on the lookout for better wall-colouring and this year, there is a spectacular range from which to choose. Dry weather is not good news for the roots of most climbers - which usually live in semi-desert soil close to a wall or overhanging eaves.

Whenever you can, remember to souse the roots of young clematis with as much as a full can to each plant. Add some powdered Phostrogen when you water to greatly increase the rate of return. Impatient gardeners who complain that everything is too slow are often lazy gardeners. Regular feeding and watering helps to drive most climbers up the wall.

My particular successes on stonework look more promising than ever: the winner is one I bought only in 1993 and it is now 2ft wide and 8ft high, without any of the attention which the books recommend. Its season is about to begin and everyone who sees it behind the notorious swimming pool forgets to notice how cloudy the pool's water has become in the heat.

I should have written much more about the hybrid American honeysuckle, *Lonicera americana*. I have to admit that I had never noticed it until I grew it, on expert advice. It has been said to need a year or two to settle down. On a south-facing wall, without watering, it seems to need nothing of the sort. The flowers fly in all directions on short shoots from the main framework of the plant. They have a pink tinge to their basic yellow and are overpoweringly scented.

It is an excellent companion to a swimming pool. It would also be spectacular on any

warm wall in a town, although I never see it in London. Face it south and leave it alone. Mine is completely free of those disgusting black flies and I rate it one of my top belated discoveries.

We all know that some shrubs are listed as wall shrubs, but we are probably too obedient about the varieties we choose. Almost anything which likes sun can be

turned into a so-called climber, especially if it responds to dry pruning after flowering.

Recently, the dry summers have greatly raised my opinion of the easy pink-flowered Beauty Bush, or *Kolkwitzia*. Last year, I remarked that the shy-flowering varieties which used to turn up in the trade in the early 1970s seem to have been eliminated. This summer, I see on my travels what a

superb wall-shrub the easy *Kolkwitzia* will make in a relatively sunny place.

It responds to pruning after flowering and now that each bush is almost certain to flower beyond belief, deserves a rest place on a wall, however dry. It, too, is almost fool-proof, although the foolish do not choose it for their gardens, preferring to play around with a troublesome Passion Flower



The *Kolkwitzia*: a superb wall-shrub in a sunny place

Gardening / Robin Lane Fox

# The aviator who flies up walls

because it sounds exotic. Climbing roses have, of course, never been better than this weekend, although I seem to feel that every summer of my life. Those which were debilitated by the heat and black spot last year seem to be improved, if anything, by the awful experience. Everyone has their favourites, but I do recommend them to grow a deep-coloured clematis into anything which is white. Clematis *The President* has a luminous depth at exactly the right season for the best double white roses, including the flat-shaped, white flowered *Sombrell* which is sufficiently open in growth to make an excellent host.

Vigorous ramblers sometimes seem too spectacular and too short-flowering for even the impatient to be entirely enthusiastic. Afterwards, somebody has to tidy up the middle of stems on an increasingly high ladder. Tidying and high-level pruning have never been my strong points and in a garden which is much too big for an academic, I tend to let

the high climbers take their chance. It is, then, with particular relish that I can alert you to my single biggest success among roses.

In 1992, I rounded off an order to the admirable Peter Beales of London Road, Attleborough, Norfolk, by including one plant of a vigorous climber called Aviator Blériot. When it arrived, I could hardly think where to put it. It ended up in a dry, wretched hole beside paving stones and one of the doors into the garden whose key I have long since lost. To one side, the real sight of the season was the scented pale Graham Thomas honeysuckle which is such a joy in May

until it loses its leaves in late June.

Idly, I thought that the Aviator might hide the honeysuckle's off-season and I dug it in without particular care. Two years later, it was good enough to be the one plant of any particular interest to visiting merchant bankers who came with notebooks in order to plunder any spectacular ideas.

This year, it is almost out of this universe. Nearly 20ft high, it has fallen forward in long cascades of unpruned stems, covered in hundreds of small yellow flowers which fade to the prettiest shade of lemon. Those living in the Cotswolds have not a hope of growing the double yellow Banksian roses which remind fortunate south-facing Londoners of their second homes in Provence.

I no longer mind this inability, because Aviator Blériot seems just as good, vastly easier and willing to thrive in awful conditions. The greatest of all rose experts, Graham Thomas, did not have anything particular to say about this remarkable once-flowering

variety. I find it mildly appropriate that it has totally outclassed and overshadowed the honeysuckle named after him.

In 1905, the brave Blériot first flew the Channel and in 1910, a French nurseryman raised and named this stupendous yellow small-flowered rose in his honour. I like to think of it travelling backwards across the Channel from France to my garden and I would much like to think of it in many of yours wherever you have height and room and are feeling negligent and impatient.

Suppliers are almost limited to the kings of roses, Peter Beales and David Austin, but perhaps depend will increase supplies. The Aviator is disease-free, rampant and astonishingly floriferous. He is a rose with an impeccable European pedigree which will appeal to readers with their wits about them. When I rang Beales last year and remarked on yellow Blériot's progress, I told him that it had roared up the wall like a train.

I think you mean like an aeroplane, he replied, elegantly. Since then it has imitated the vigour of a jet without any of the side-effects. It is the best thing I have found for ages and I hope that I can pass it on to more of you in future.

With particular relish I alert you to my single biggest success among roses

Fishing / Tom Fort

# Marching orders from trout

A holiday in spring should have an influence on the soul. I order on the miraculous. To abandon the tyrannical dits of the office is the beginning of the cure.

Exchange the noisome workplace for space and clean air and, within a day or so, the depressed spirits revive. By the end of the break, fish in the world and humankind will have been restored.

To be sure, this exalted condition is unlikely to survive the return to the place of oppression for more than 10 minutes. But I maintain that the Health Education Authority would do better spending its money on promoting the spring holiday than on issuing useless advice on eating low fat spreads and roughage.

I don't recommend abroad. It's too far away, and the business of getting back will undo much of the benefit. Indeed, abroad is not much good for a spot of casual trout fishing, should the fancy take you. The necessary bureaucracy is wearisome, even in the unlikely event of a decent river being at hand.

Quite how trout fishing intruded on my own spring excursion, I would not like to say. Now would I care to explain how my fly rod, waders, net and bag found their way into the car. Such mysteries are better left unexplored. I do insist, though, that it

was not in any sense a fishing holiday. Nor was it to be a holiday with a bit of fishing included. It was a holiday which just happened to be in an area which happened to be close to a famous river which I happened never to have fished.

The area was the Welsh Marches, and it fits the bill perfectly. The blood-steeped turbulence of its past has long given way to a useful tranquility. It has grand hills and gentle knolls valleys broad and narrow, noble rivers and little streams, sweeping vistas and intimate delights. It is, simply, the most magnificent countryside.

In the main, fishing was kept at bay, and we did what was fitting: going to bed early, eating large fried breakfasts, getting cream from the farm, lounging in pubs, scrutinising dog-eared Ordnance Survey maps from varying angles, tramping respectable but not excessive distances.

We went to Capely-ffin, and were disgusted to find that the monastery which Eric Gill and his followers had turned into a most improbable artistic centre was shut and mouldering. From there, guided by *The Fishy Bard's Chantry* (published in 1939 and still invaluable), we scrambled up Lord Hereford's Knob, which frowns across the Wye from a great height. Jones observes that the knob is very knob-like, which

is true. But he is disappointingly silent on Lord Hereford's part in it.

The view from the knob is remarkably fine. But even finer - because it stretches on two sides - is that from Hergest Ridge, a few miles north of Hay-on-Wye. Indeed, the only blemish on this whole stretch of country is Hay itself. As a banner of secondhand bookshops all my life, I say

me for my neglect. I very much wanted to fish the Usk, famous for its salmon - which did not interest me - and for its spring trout fishing. For was this not spring? The answer was "yes" for the daffodils, "maybe" for the leafing trees, and emphatically "no" as regards the trout.

I bought a day ticket at a modest price from an obliging lady at the hotel at Giffney, which controls a lovely stretch of the Usk. I strolled down to the river where I was struck by a point and accurate premonition that this would not be a day of achievement. The water, though clear, had a steely chill to it; and there was an edge to the wind which worked its way round and through the trees.

I went through the motions, searching the water with an upstream nymph, then with wet flies. Nothing happened, except that I saw an adder. What I wanted to see was a hatch of march browns or spring olives. But hatch was there none. I didn't mind in the least - I was happy just to be water-clad and water-side again.

At length, I found a little grassy bank out of the breeze, and lay down. In theory, I was awaiting the hatch. But in truth, I slept. It was a sweet sleep, nourished by the song of the birds and the water. I dreamed of the season before me, of other rivers, warm sunshine, soft rain, and fat, compliant trout.



there is something seriously wrong with a town which has 30 of them and nowhere to buy decent food.

In one cavernous dumping ground for the printed word, we found a shelf of odd volumes of *Pineapple News*, the journal of the experimental station of Hawaiian pineapple canners, a snip at £3.50 each. In another, a deranged-looking man yelled "greetings and salutations" as he gestured to his acres of unreadable rubbish. Retreat was the only course. The fly rod was reproaching

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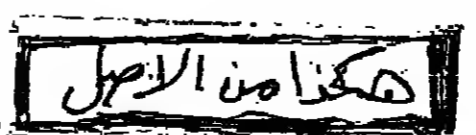
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PROPERTY

# Future shock in the city

Anne Spackman considers London's housing needs

If you look at the latest figures on population growth and new home starts you might conclude that the business to be in over the next decade is house-building. According to government statisticians, the number of households in England is set to rise by 4.4m over the next 20 years.

According to the National House-Building Council, the number of homes being built has fallen to around 150,000 a year - 70,000 fewer than are needed to meet that demand. We are now building fewer homes than at any time since the second world war. Ergo, builders should be in for some profitable days ahead.

The builders do not see it this way. The reason many are cautious about putting up houses is that they believe, with justification, that they may prove difficult to sell. Similarly, local authorities are loath to sacrifice green fields when they can see a forest of For Sale boards on existing developments.

It is in order to square the circle that the government is publishing a green paper this summer to discuss where the new homes should go. Over the past few weeks the debate has been opened by a series of speeches by John Gummer, the environment secretary, and other ministers with responsibility for housing. Their message has partly been a political one - that there is an environmental price to pay for breakdowns in relationships, demand for at least a quarter of new households is expected to arise as a result.

The largest population increase is expected to occur in London, where 395,000 extra households are predicted by the year 2011. This is the equivalent of creating six new boroughs. Savills research department estimates that in the private sector alone the projected stock for the capital will satisfy less than three-quarters of the new demand. There are fears that the city lacks not

only housing capacity, but the transport and amenities to cope with it.

Much of the city's increase is made up of growing numbers of young workers transferring to London from within Britain and from abroad. Many are single, looking for city centre flats to rent and buy. (Nearly 80 per cent of the 4.4m new households will comprise just one person.)

Developers have responded quickly to the needs of this sector. A study by London Residential Research published in January identified 9,500 units under construction in the summer of 1995. Two-thirds of those were one and two-bed

room flats. While house-building starts in the country as a whole fell 16 per cent in the year to May, in London and the south-east they rose by 14 per cent.

Some developers have reacted to the collapse in the commercial sector by converting office blocks into homes. More than 5,000 have already been altered and 8,000 more are in the pipeline. Five companies are bidding for the redundant Shell building on Waterloo roundabout, most with plans to convert it into residential space. The rush for sites has forced the price paid for building land in London to double over the past four years.

London Residential Research is investigating for the London Planning Advisory Committee the potential of the capital's vacant offices and commercial sites to provide the extra homes required. It is expected to come up with a minimum figure of around 25,000 units

and a maximum which could be double that.

The advisory committee is considering a number of options to increase capacity, including converting parades of shops into housing, increasing densities - but only in high-quality developments with good communal space and creating large mixed developments of homes, shops and offices on windfall sites, such as former hospitals.

All these changes will have a profound effect on the character of London. They will bring people into areas of the capital which have traditionally been dead at night, avoiding the "doughnut" factor which has blighted American cities like Washington. This is already happening in fringe city districts like Clerkenwell and Bloomsbury.

They will also shift London from a suburban-density city which still boasts houses with gardens into one of high-density flats, like most other big cities in the world. As a result, the price of houses in the centre is likely to continue its sharp rise.

The many public and private sector wise heads sitting on committees discussing the future of London's housing have grasped the nettle on capacity, although they are far from solving the problem. However, they face a more urgent problem in the social housing sector.

For London to function as an efficient city it needs teachers, train drivers and nurses, as well as bankers. Few of these people can afford private housing in London. Providing homes for these key workers is seen as the crucial planning issue facing the capital.

The advisory committee believes that at least 40 per cent of London's extra homes need to be in the social sector. It wants developers to include at least a 25 per cent social housing element in any development of more than 10 homes - something they are signally failing to provide now. In prac-



Social housing in the Oxo Tower will be topped by a Harvey Nichols restaurant

ice, they are more likely to give a lump sum so that the local authority can build their social housing elsewhere.

The crucial questions in the forthcoming green paper as far as London is concerned will be how to crack the twin problems of capacity and social mix. The social housing lobby will point at schemes like the award-winning Oxo Tower development on the south bank of the river, where Harvey Nichols is putting a restaurant on top of a good-quality social

housing scheme, as evidence that rich and poor can live side by side.

Another success story is Rotherhithe in Docklands, where, effectively, a new town has been created with good public transport links and a high proportion of low-cost housing. Such developments are seen by many experts as dovetailing with Gummer's vision of encouraging sustainable urban communities and protecting the countryside. As the debate begins, the

4.4m figure which launched it is coming under intense scrutiny - and not just because of wishful thinking. There are many who remember that in the mid-1980s London was said to be suffering from an acute shortage of offices and office land, only to suffer a crash a few years later.

Planners can be expected to ask for a lot more evidence before they release their green fields and potential employment sites to the house-builders.

## On The Move / Anne Spackman More private deals for top houses

Three country estates worth more than £20m in total have exchanged hands privately this year - a result of the shortage of top-quality property on the market and an increase in the number of buyers chasing it. The estates were all the west of London - two near Salisbury and one in Gloucestershire - the area of first choice for most top buyers.

The normal pattern in private deals is for both the buyer and seller to be represented by an agent. Once the selling agent has been instructed he will call the agents acting for buyers and try to place the house with one of them. The buyer normally has to pay a premium to persuade the seller to go ahead without testing the market. Justin Marking of Savills estimates that around one in six sales of the top of the country house market is being done this way.

In London, houses are most commonly sold privately if they are well presented and the seller is ready to move quickly. Both parties are likely to be represented where sales reach more than £1m. Knight Frank estimates that around 12 per cent of country house deals, and as many as half of all farm and estate sales this year, have been made in private. In cash terms it has sold £11m of property privately in the first six months of this year, compared with a total of £14.5m for the whole of last year. The firm has this month appointed a full-time buying agent to cope with the increased demand.

One estate which is coming to the market this week is Furness Park in Herefordshire. Knight Frank and Bidwells have set a guide price of £4m for the whole, which includes a Grade II\* Elizabethan house by a lake, a Grade II farmhouse and 737 acres. A number of prospective buyers has already been round.

One of the few substantial vicarages remaining in the possession of the Church has come up for sale on the edge of Richmond Park in Surrey. The unmodernised Victorian house is set in more than 2 acres of grounds with lawns, paddocks and woodland. It is arranged as four reception rooms, seven bedrooms and a staff annex. Knight Frank is selling it on behalf of the Diocese of Southwark and the Crown Estate with a guide price of £1.25m.

Newly published figures from Savills Research seem to confirm the view that yields for London property are being exaggerated. Gross yields of between 9 and 12 per cent are regularly cited by agents, particularly when selling flats as investments to overseas buyers, who are advised to expect a reduction of around 2 per cent between the gross and net yield. However, Savills figures show gross yields for prime central London flats at 9 per cent, but net yields around 5.5 per cent. For prime central London houses the gross yields are just over 8 per cent, but the net yields are about the same. The latest report calculates that total returns - adding capital growth to net yields - are just under 7 per cent for flats, but 9.5 per cent for houses. The highest overall returns were for four- and five-bedroom houses in Kensington, Holland Park and Notting Hill.

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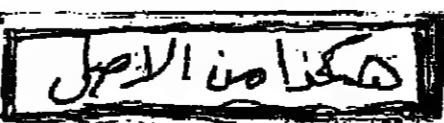
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French Property Feature

FOOD AND DRINK

# A new trend in red wine blends

**B** lending is the buzzword among wine-makers now. Sick to death of 100 per cent varietals made from just one grape, they have been exercising their ingenuity in developing successful combinations, mainly of two grapes for the moment.

The horribly named Sem-Char stretches available Chardonnay grapes and the magic of its name wherever Semillon grapes are in abundant supply.

Watery Colombard looks, and tastes, better if blended with Chenin Blanc, Chardonnay, Semillon - well, just about anything.

In reds, Cabernet and Merlot is a marriage made in vineyards heaven. Bordeaux to be precise, Syrah (aka Shiraz) and Grenache is a union sanctioned in the southern Rhône

valley. Cabernet Sauvignon and Syrah is as much of an established success in Provence as Cabernet Sauvignon and Shiraz in South Australia.

But a new combo is emerging, mainly but not exclusively from the Languedoc: peppery Syrah and plummy Merlot, sort of Hermitage plus Pomerol.

This works only if the Syrah is not too ripe and sweet (it would be horrid in most of Australia, for example) but has scored some notable successes in the south of France, the flesh of the Merlot filling out the sparer frame of the Syrah.

Domaine du Panjol's 1994 Vin de Pays de l'Hérault (£5.50

Bibendum, London NW1), for example, is a deep-flavoured, very versatile wine for drinking at a wide range of temperatures throughout this summer while waiting for its big brother, the Coteaux du Languedoc 1994 from the same domaine, to mature.

This chewy, garrigue-scented wine is 27 from Bibendum and is made up of Cinsaut, Grenache and Syrah but that matters not a jot.

What matters is that it is a true geographical rather than varietal expression, that could only be made here in the hills north-west of Montpellier, on a property recently acquired by Robert Cripps who was Bibendum's van driver in

a previous incarnation.

The most impressive Syrah-Merlot blend to have come my way is Domaine des Tours 1993, a densely herby wine, very much more Syrah than Merlot, made near Vaqueyras

vines and this Vin de Pays de Vaucluse could be aged for another four or five years if you have the patience. The Wine Society of Stevenage has not included it in its summer list but has 60 cases for sale at £84 each (£7.10 a bottle), reference number FC2851.

The cut-price versions come, rather perversely, from those supposedly upmarket stores Waitrose and Marks and Spencer. Waitrose has stuck a label that would be more at home in a garden centre than a wine shop on the coteaux Domaine de Rose, Syrah-Merlot 1996 at £2.99. This Vin de Pays d'Oc from Chantouvenet is much deeper in colour and flavour than one expects at this price.

M&S (which is showing great prowess under £3 just as prices are inexorably moving up elsewhere) has Domaine St Pierre 1995, a Vin de Pays de l'Hérault at just £2.99. This is yet another wine St Michael buys from Domains Virginia and, just like his arrangement with La Chablisienne, seems to give him access to some good stuff.

This soft, fruity, full-bodied little red blends equal quantities of Merlot and Syrah with the red-flashed Alicante made as though for a rosé.

And, finally, two examples which prove that this combination need not be restricted to the south of France.

Fairview's 1993 Shiraz-Mer-

lot (offered in its infancy by the Bin Club, tel: 01454-294065, to its members, many of them expatriate) was an equally successful South African blend along flirtatiously fruity lines.

A much more serious wine is made from Syrah and Merlot in Frascati country near Rome. Castel de Paolis 1 Quattro Mori 1996 is full, neat, dense, glamorous, snare and more youthful than the South African example.

This is clearly an ambitious producer, rumoured to have a touch of Petit Verdot in mind for the next blend and also makes a stunning white blend from Malvasia and Viognier. Both wines are imported and sold to British restaurateurs at about £9.35 from Mille Gusto on 0181-997 3932.

Jancis Robinson

## All change in Chile

The winemaker with the magic touch, Ed Fienery, has been poached from Corio Sur, Chile's best-value wine label, to make wine for the Errazuriz and Caliterra labels, whose previous winemaker Brian Bicknell has returned to New Zealand. Gaspario Carron, his former neighbour, has also moved north incidentally, to Francisco's investment in Chile's coolest Casablanca Valley. (Are you still with me?)

Knowing it is effectively the best of the Flaparty line makes Corio Sur Pinot Noir 1995 all the more desirable, even if he was still in charge of fermenting the 1996 grapes, said to be excellent for Chilean reds. The Reserve 1995, from £5.99 to £6.50, at Victoria Wine, Oxfords and The Wine Society is stunning. Such stocks as remain of the regular version are £4.99 to £5 a bottle.

by Bernard Reynaud, whose Frère Jacques runs the world-famous Chateau-neuf-du-Pape property, Ch Rayas 1993. This wine betrays the same seductively meaty combination of low yields and old



# Heroic eating in the fatherland

Giles MacDonogh has an enjoyable time with two rather eccentric German hoteliers

**G**ermany is not a country which we readily associate with eccentricity. Mention the place and images of tireless conformity spring rapidly to mind: such as traffic-free streets with crowds of people standing doggedly at the pedestrian crossing waiting for the lights to tell them they may cross. Like all national stereotypes, there is a grain of truth to it: for one reason or another German society has always appreciated the citizen who conforms to the reigning norms.

All the more refreshing, then, when you meet a German who is wholly out of the ordinary. I met Andreas Kleber on a train in Wrocław, Poland. Confused by the ambiguity of the station signs, and correctly judging him to be German, I asked him if it were the right train for Dresden. I almost wished I had not: there followed a full description of the present, past and future destinations of the train, together with a historical evaluation of the train's performance compared with the pre-war timetables.

It transpired that Kleber devoted his spare time to travelling the European networks and mugging up on their history. When he was not on the rails he is back at his hotel in Saulgau in Württemberg, which his family has owned for the last 325 years.

I next met Kleber at a Prussian food festival he organised in Saulgau. At

dinner I found myself sitting opposite the writer Ernst Jünger. He was then a sprightly 97-year-old. In March 1995 he turned 100 and a birthday party was thrown for him at the Kleber Post. President Herzog and Chancellor Kohl were among the guests.

The Kleber Post has always been about the best hotel and restaurant between Ulm and Lake Constance; a stretch of land famous for its wonderful rococo pilgrimage churches, such as Dominikus Zimmermann's Steinhäusen only a few miles away.

I was last in Saulgau last month. It was the asparagus season, and Kleber's kitchen had the chance to show its mettle by creating a number of menus around one of Germany's favourite foods.

The Germans know a thing or two about asparagus. For the most part they shun the green sort favoured in Britain and seek the whitest spears from under the soil. Those who have never experienced the freshest asparagus of Freilburg or Ortenau in Baden, Nuremberg in Franconia, or Beilitz in Brandenburg, have yet to discover one of the greatest and most delicate flavours there is.

Germans do not just consume huge amounts of asparagus in season, they fall over themselves to find different ways of presenting it. On my first night at the Kleber Post I had some simply served up with a hollandaise, a floury potato, and a few fresh morels.

Then, for the next course, asparagus appeared as the foundation to a dish of salmon trout.

That meal was light compared with the feast Kleber dished up the next day: asparagus with raw ham and Parmesan cheese; asparagus with local Danube catfish; beef broth with asparagus; asparagus with salmon tartar; and that was not including two or three dishes (cheese and pudding, for example), which did not include any asparagus.

The Kleber Post recently opened a new wing, with comfortable modern bedrooms across the courtyard from the historic coaching inn, and Kleber has transferred the reception to the new building. That has left him a little space to play with in the former reception area of the old building. I asked him what he intended to do with it. I should not have asked. He is going to build a new bistro: in a railway carriage.

Pegnitz is a little town on the fringes of "Franconian Switzerland", about 15 miles from Bayreuth. It was polished up in the 1950s and now, with one notable exception, it offers little of interest to the traveller. The exception is Pfäfers Post Hotel which, in stark contrast to the blandness of its surroundings, has to be the weirdest hotel I have seen.

The four brothers Pfäfers inherited

a family coaching inn called the Schwarzer Adler (this part of Franconia was Prussian until 1806). Their various professions made them ideal partners in the business: Andreas was the hotelier, Hermann the cook, while of the two remaining brothers, one became a butcher and the other an architect.

In the parents' day, the hotel had five rooms and a menu composed of hefty Franconian *Hausmannskost*: sausages and the like. The father brewed beer and distilled schnapps to give the place all the creature comforts of a German country inn.

Andreas Pfäfers, however, turned his eyes towards Bayreuth. Every summer the town was full of festivalgoers. With the help of interior designer Dirk Ohlbers, the old place was turned on its head to create 25 rooms and as many suites ranging from simple period pieces with half-boarding in the old wing, to futuristic fantasies in the new.

I stayed in the Parsifal Suite, a heroic example of Ohlbers' *Gesamtkunstwerk*. At the centre of the suite was a sort of hi-tech "lair", containing a bed. It was constructed of metal, mirrors and equipped with a concealed television (with opera videos, of course) and speakers which allowed you to listen to the stock of Wagner CDs. At the flick of a switch 1,000 little blue stars appeared. Meanwhile, the marble bathroom seemed to owe something

to C.J. Mackintosh. The first man to sleep in this astonishing bed, it transpired, was Plácido Domingo.

In spite of its futuristic suites, the Post Hotel still has its feet in Franconia. When I arrived parched from my train journey, a chambermaid brought me a jug of beer from the hotel's own brewery. In one dining room, Hermann Pfäfers cooks recipes inspired by local traditions. The accent is on healthy foods.

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Andreas Pfäfers, I told myself, would never be caught waiting at the lights.

■ Kleber Post, Saulgau. Tel: (00 49) 07581 5012. Rooms from DM88-DM290. ■ Pfäfers Posthotel, Pegnitz. Tel: (00 49) 09241 7250. Rooms from DM200-DM500. Suites substantially more.

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hen there were the Beeren- and Trockenbeerenauslesen. The Wehlener Sonnenberg 1959 from Prüm was one of the best in the tasting, unstaged, perhaps only by the Schloss Vollrads 1947 or the Erbacher Marcobrunn Beerenauslese 1983. This last wine was in superb condition with an astonishing balance and freshness of flavour.

A number of the wines had come from the Ratskeller's own stocks which were patiently rebuilt after the cellar served as an American officers' mess after the war. The only wines which were pronounced "off-limits" were the Rose and the 12 Apostles: a dozen casks of 18th century wines, one of which occasionally serves to ullage the Rose.

The tasting earlier this month was certainly a fabulous occasion and I feel honoured to have been asked. Indeed, I might even forgive the Bremen mean-mindedness of the people who work in the city airport, and for the jerky old man which delivered a saluting English back to the Ratskeller.

Giles MacDonogh

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As each course is served, Edelmann will talk about the dish's provenance and preparation. Winemakers Wolf Blass of Australia and Anton Rodet of Burgundy will explain the chosen wines and how they complement each dish.

Eighty people can be accommodated. The price is £85 a head and tickets for the event on July 8 include a Laurent Perrier champagne and canapé reception at 7pm.

FT readers will receive a copy of Anton Edelmann's *Fast Feasts* (HarperCollins, £19.99, 175 pages) at no extra charge but you must specify when you make your

**Appetisers**

## It's a match at The Savoy

Before lunch was over, £2,000 worth of goods had been bought on the stolen card.

The second is perhaps an even cheekier tale. As a couple sat down to lunch the woman placed her handbag on the table. They were approached by another couple who pretended to be lost and proceeded to spread a map over the table and the bag while asking for directions. Once these were kindly given, the second couple then left with the map and the handbag.

You have been warned.

Nicholas Lander.

Traditionally, London wine auctioneers have not competed with retail merchants in offering very young vintages, especially those en primeur. Not yet in bottle. But for the first time, on July 11, Christie's is selling 1,520 cases of 1995

hysterical state of the market, all are likely to sell, at high prices, and the buyers will include merchants unable to secure the quantities they want from other Bordeaux negotiators.

Nevertheless, the knock-down prices may reduce the normal retail mark-up and they will also include customs duty of just over £12 a case, 17.5 per cent VAT and 10 per cent buyers' premium imposed by the auctioneers.

Accordingly, at current prices, it is doubtful whether those who buy to make a profit, rather than draw the cork in years to come, will be successful.

Edmund Penning-Rousell

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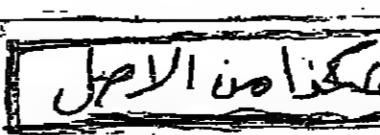
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TRAVEL

The spiritual metropolis of the Scots

Leslie Gardiner visits Stirling, a provincial town which commands the Highlands and the Lowlands

Prick the soil with a needle... the ancient Greek said, "and you uncover the bones of heroes."

This is haunted, hallowed ground for every Scot and a symbol of his determination to be Scottish.



Stirling Castle in Scotland: compact and frivolous when compared with Edinburgh

Robert Harding

(Wolfe of Quebec), probably got it about right when he said: "Twas not a battle, for neither side would fight."

The mandatory heritage centre there are traces of a Jacobean heyday. Mar's Wark, the mansion of Scotland's premier earl: Argyle's Lodging, another aristocratic town house; Darriery's House with a signboard "Nursery of James VI and his son".

was born and brought up a Roman Catholic. Like other Scottish towns which are huddled under a rock and hemmed in by a river, Stirling has parking problems and its chief attraction, the Castle, involves a breathless climb.

the Wallace Monument sprouting from a hillside, like something mad King Ludwig might have commissioned. Then turn your eyes westward, where the land is bright.

the middle ground and Ben Ledi and Ben Lomond are cardboard cut-outs against the setting sun.

Where Edinburgh Castle is extensive and grim, Stirling Castle is compact and frivolous, a Renaissance complex of little windows, crenelated gables, enigmatic carvings and twisted chimneys.

Royal Palace and Parliament House have had millions spent on their refurbishment. You can get married and hold wedding receptions here. On many a Saturday afternoon the splendour presents scenes reminiscent of the bloodier events of Scottish history.

Amid the jigsaw of courtly constructions, near the gatehouse, is the regimental museum of the long-time garrison, the Argyll and Sutherland Highlanders. It stirs recognition by movie buffs.

It was the *mise-en-scene* of a travesty of army life, very popular in Scotland, called *Tunes of Glory*, featuring the doctory Scot Alec Guinness and the English wimp John Mills.

Patriots have suggested that Stirling, not Edinburgh, might be the capital of an independent Scotland. They have a point. What other small provincial town boasts a royal palace and castle, a cathedral (Dunblane, 6 miles away), a university (Bridge of Allan, 3 miles away) a nucleus of motorways and seven battlefields?

Stirling commands the Highlands and the Lowlands, is equidistant from Glasgow and Edinburgh and a mediator between the warring passions of those cities. Best of all it has Bannockburn, the spiritual metropolis of the Scots, and is central to the Bruce era. Rob Roy and Tunes of Glory stories, important for all who confuse Hollywood with history.

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ARTS



'The Sponge Diver' by Winslow Homer; a distinctive spirit at work with an amplitude of scale and an unfussy openness

# Awash with American spirit

William Packer admires an exhibition of watercolours on loan from Boston

**W**e pride ourselves here in the UK on our tradition of painting in watercolour, and not without reason: but we make a great mistake in supposing ourselves unique in the accomplishment. Equally, achievement in art is never an international competition, so to be faced with work that challenges our too-comfortable superior assumption is not a question of which is the better. Confronted by the magnificent group of watercolours by American artists of the late 19th and early 20th centuries, now on show at Edinburgh, we are only lost in admiration at their quality, and intrigued by what national differences they might declare. The only disappointment is that the selection offered by Boston's Museum of Fine Arts from its collections is so small.

The period covered runs from the 1860s to the 1940s, which takes us from the work of such painters as James Hamilton, Thomas Moran and Samuel Colman, steeped in the grandeur and sublimity of the Turnerian model, to the evident modernism of such as Georgia O'Keefe and John Marin. But even in those early and apparently derivative examples, we find a distinctive spirit at work - an amplitude of scale to match the vast American wilderness they celebrate, that only then was being opened up. There is a broad-shouldered sweep to it, an unfussy openness, a certain swagger beneath all the technical sophistication, that it is not unkind to label typically American. These qualities we find throughout.

The famous names inevitably take charge, given the comparatively small compass of the show. Even so, John Singer Sargent apart, Edward Hopper and certainly Winslow Homer are not so well-known over here that a substantial spread of their work is gratuitous, and Sargent anyway is always a joy. The Homers are particularly fasci-

inating, beginning as they do in the 1870s with their roots in Victorian realism, amounting at times almost to illustration, and then developing rapidly into images of the most vigorous, free and broadly-stated detachment. One painting, of a colourful house at street-corner in Santiago de Cuba (1885), prefigures English neo-realism and Edward Bawden in particular, by 60 years. But here his finest paintings, of the forests and lakes of the Adirondacks, come a little later, around 1890, and are descriptive evocations rather than exact representations in the loose sweep and flow of the paint, the trees looming dark, moody and atmospheric above the little canoe upon the water.

Sargent, on the other hand, astonishes precisely by the exactness of the description he achieves by the lightest, most free and rapid of means. Nothing could be truer to visual experience than the shadows that dance across the glaring-white wall of the Coriote cabin, or the reflected light

## Television/Christopher Dunkley Drama in the Prix Italia

**T**elevision may vary from country to country, though less than you might hope, but all over the world programme makers seem to be subject to the same sort of pressures. Chief among these in 1996 is the growing domination of market forces and the consequent retreat of public service broadcasting. The more dominant the market becomes (i.e. the more television becomes commercial) the more you find that drama consists of series and serials and the fewer single dramas are produced.

Like all proper equations this works in reverse. Show me a country which still produces a significant number of single dramas and I will show you a country which still has, or until recently had, a strong tradition of public service broadcasting. You can extend the rule. Adaptations from classic literature are a sign of public service drama with a powerful moral dimension - not wagging a finger necessarily, but with an interest in life's moral uncertainties - suggests public service broadcasting; whereas murder mysteries, police series and serials about any emergency service tend to indicate the dominance of market forces.

There are 32 entries in the television drama section of the Prix Italia festival, many of them wearily long. The five entries from France alone occupy a stultifying eight hours. Many, if not most, bear out these rules, and the British entries provide a classic example. The BBC has put in *Life After Life*, a bleak but powerful single drama written by Graham Reid. It is about an IRA lifer who finds, when released on parole, that his self-image as heroic freedom fighter is no longer recognised by the rest of the community, nor even by his own family.

From the Netherlands, which has one of the most complicated (and richly varied) broadcasting arrangements in the world, where the public service sector is still fighting a grim rearguard action against cable, satellite and other commercial forces, we have seen *Charlotte Sophie Bernini*, a beautifully filmed costume drama with the sort of production values that you expect from similar BBC dramas. Like several other entries at the festival this endeavours to find the attitudes of 20th century feminism in another age, in this instance the late-18th century, but it emerges pretty creditably from the challenge.

**T**he music journalist Norman Lebrecht has added an unexpected topicality to the Wimbledon season. Monday's *Kaleidoscope*, presented by Lynne Walker, dealt with his recent doom-laden prophecies about classical music. Among those who have waxed fat at the art's expense (according to Lebrecht) are the manipulators like Mark McCormack, the wheeler-dealers in talent, both musical and sporting, who control the appearances of the biggest names and trot them round the world like the most select horseflesh.

By happy coincidence, Radio 5 Live's *Moguls* on the following day featured the self-same McCormack as the week's tycoon. For such a powerful man he emerged as oddly colourless. The nearest thing to eccentricity was his diary, divided into periods of 15 minutes (in quite a number of which, Andy Warhol's dictum

notwithstanding, he manages to be famous).

Trained as a lawyer, he was a golfer of international amateur competitive standard before signing on one Arnold Palmer in 1960. He is agent, manager, television producer and packager. He introduced the concept of business hospitality - and "the most highly-in-demand entertainment marquees in the world" - to a grateful Wimbledon while deciding that it should be sponsor-free (that is that the Centre Court should be innocent of advertising).

### Radio/Martin Hoyle Wheeler-dealer who calls the tune

The Golf Open praises him for respecting its traditions. He invented and owns the World Match Play Championship at Wentworth; and there's the rub. As a renegade from McCormack's ICM agency explained, Wentworth invites players to participate; some clients are more favoured than others - and in theory an obscure Japanese golfer can be invited to please his sponsors rather than as an accomplished sportsman.

McCormack has written books for aspiring business executives containing his "ten commandments of street smartness". He has "handled" the Pope on tour, to the gratitude of the Holy See. "It relieved us of hassles and problems of bad taste," observed one messenger cryptically. Television rights for the World Cup, besides the International Amateur Athletic Federation and FIFA, are in the McCormack sights.

And music? McCormack's agency deals with (I nearly wrote "owns") some of the greatest names among musicians and conductors on the international scene, and the superstar marketing that applies in sport is said to be ruining the classical music industry.

**T**antalisingly this lay outside the sports programme's brief, doubly annoying since the presenter was David Mellor, the Minister of Fun, you remember, who fought his corner with the Treasury so well that he increased funding for the arts by over 30 per cent: a Good Thing, possibly the only Good Thing to hit the arts under the Conservatives. One can only hope they get on to music and that the discussion - which should surely be less anyone than this affirmation of McCormack's integrity - is awaiting a slot.

Not many McCormacks were produced by British redbrick universities, to judge from *Bloody Students*, Radio 4's jumbled and inconclusive series on - well, bloody students. Impressionistic rather than linear, it painted a rather unprepossessing picture of education and sometimes of those who sought it, including the fashionable of the booming 1990s.

Last week's finale included touching vignettes of seven girls bidding cosily to one bed to watch television in digs infested with mice and rats and boasting a loo that leaked on to the table of the kitchen

beneath. Touching too was the realisation that a degree no longer guaranteed a job. We heard of one queuing to work at McDonalds while a Big Mac manager proudly explained that there was nothing down-market about McDonalds. He sounded curiously like Arthur Daley.

Changing stresses in education were illustrated in last Saturday's *Leviathan* when British attitudes to Europe were put in historical perspective. There were actually kind words for liberal Britain, its doors always open to refugees from an intolerant and unstable continent with its reliance on staiding armies; and an emphasis on the insularity of European nations while Britain's benevolent imperialism explored other hemispheres and really rather liked a lot of alien cultures. This pat on the British lion's head would have been unthinkable even a couple of years ago.

**E**qually revisionist were some brave American voices in Radio 3's *Last Stand*, part historic evocation, part documentary about the recreation of General Custer's defeat at Little Bighorn a hundred years ago by enthusiasts who resemble our own Sealed Knot with its revived Civil War battles.

Some cautiously incorrect (politically) voices referred to it as a massacre, noted the archeological evidence that the Native Americans (sic) were just as polluting in their way as the white man; that they killed one another for gain; that, in short, the idea of an unspoiled paradise brutally ravaged by the white-eyes might be a romantic myth.

Flashes of romantic heroics in Ireland, Scotland, Africa and India take note. Just to keep things in perspective, you understand.

**T**he first is accompanied by virtuoso whinnies from a solo horn; the Wang Wei poem, about a farewell, suggests the closing scene of *Das Lied von der Erde*, and Weir's small ensemble conjures up a weight of Mahlerian grief.

They were artfully delivered by Jane Manning with her band Jane's Minstrels, for whom Weir had also produced a chamber version (!) of Waltraute's narration from Act 1 of *Götterdämmerung* - a fascinating close-up of the music, though non-Wagnerians might be puzzled by it.

Finally we had her 1994 *Musicians Wrestle Everywhere* (title from Emily Dickinson), a pawky little chamber

### Spitalfields Festival Weir's musical whinnies

**T**he lively Spitalfields Festival has just ended, and its third-evening was given over to a "Composer's Portrait": of Judith Weir, as it happened - who is one of the festival's artistic directors, along with the composers Michael Berkeley and Anthony Payne. A festival which is lucky enough to have composers directing it naturally expects to play some of their music.

This particular "Portrait" offered new and recent Weir, starting with *Horse d'ouros*. Characteristically jokey and clever, it consists of three songs to poems (Feringhetti, Wang Wei and Anon.) which happen to mention horses.

concerto inspired by the street sounds of London. S.E.15: breezes from the Elephant & Castle, Nigerian pop rhythms, wind-chimes from a squat.

You would not guess without being told, but Weir has built an attractively odd, cogent piece from them - rather in the vein of Janáček's ever-

green *Mládí*, which had begun the concert: not by accident, I imagine.

Berio once declared that the purpose of a musical education was to connect the ear directly to the brain: that is the happy situation of Judith Weir.

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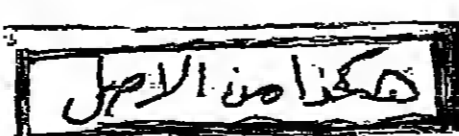
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ARTS

# Off the top of the scale

Despite the sky-high fees demanded by some musicians, Andrew Clark explains why the music will never stop

Singing for your supper takes on new meaning today, when Luciano Pavarotti, Placido Domingo and José Carreras entertain their Japanese fans at Tokyo's Kasumigaoka National Stadium. The concert kicks off a Three Tenors world tour, designed to cash in on the money-spinning format of the World Cup concerts of 1990 and 1994.

The tour comes to Wembley Stadium in London on July 8, followed by Vienna (July 13), New York (July 20), Gohlsburg (July 28), Munich (August 3), Düsseldorf (August 24), Toronto (January 4) and Melbourne (March 1). For each concert the tenors will get a guaranteed fee, plus a

share of the profit. With television and recording royalties, they can each expect to take home between \$5m and \$12m from the tour. No other classical artist - not even Caruso - has had access to this kind of money. By acting like pop stars, the Three Tenors are getting paid like pop stars - and who can blame them? Pavarotti is 60; Domingo and Carreras are vocally past their best. By buying their rivalry, the Three Tenors have done themselves a favour and given pleasure to millions.

High notes

What leading musicians earn for a single concert excluding The Three Tenors

Lorin Maazel	DM120,000	(£51,000)
Anne-Sophie Mutter	DM100,000	(£42,500)
Jessye Norman	DM100,000	
Carlos Kleiber	DM100,000	
Cecilia Bartoli	FF280,000	(£35,000)
Georg Solti	DM80,000	(£34,000)
Mstislav Rostropovich	\$50,000	(£32,500)
Itzhak Perlman	\$45,000	(£30,000)
Sergiu Celibidache	DM60,000	(£25,500)
Roberto Alagna	FF200,000	(£25,000)

Fees in the UK are 10-60 per cent less.

Even accounting for inflation, these figures are far higher than the top fees of the 1960s and 1990s - a reflection of the increasing commercialisation of classical music. A generation ago, singers had to wait until their careers matured before

recording companies and the publicity they generate to maximise sales. The more interest you stimulate worldwide by advertising, media interviews and carefully selected engagements, the more demand you create for your recordings and concerts. The greater the demand, the higher the fee.

This has a snowball effect: a year ago Roberto Alagna, an exclusive EMI artist, was paid £12,500 for a concert in Paris; this year he and his wife, the soprano Angela Chazot, will make £35,000. Half the work for more than double the money; the glamorous couple are a marketing dream. So is Bartoli. Skillfully promoted by a New York businessman, Jack Mastroloni, and armed with a Decca contract, she has more than tripled her fee in the past three years.

The arrival of the super-agency has also raised the stakes. Over the past quarter-century a handful of agencies have cornered the top end of the market, allowing them to dictate terms to opera houses and concert promoters in a way that was unrealistic when artists were managed by a host of smaller agencies. In the US, for example, it has become virtually impossible for a conductor to make an impact without being on the CAMI agency's books.

But the latest evidence suggests the boom years are at an end. The problem for the music business in the 1990s is that income is not keeping pace with fees. Box office prices have been pegged - a dramatic hike would chase away audiences - and the value of state subsidy began to taper away a decade ago, most noticeably in the UK. Even Germany is now feeling the pinch. Some commentators are painting a doomsday scenario: there is talk of a "crisis" in classical music, with orchestras going bankrupt, opera houses in deficit and a shrinking group of high-earning dinosaurs. "The reality is less sensational - and more complex. Behind its sophisticated exterior, the classical music business is a market - and like any other market, prices are open to negotiation. With their backs to the wall, the more astute orchestras and opera houses have begun to fight back. The Berlin Philharmonic no longer engages the violinist Anne-Sophie Mutter. Herbert von Karajan's former protégé,

because it is not prepared to meet her asking price of £42,500. Bartoli has priced herself out of the Salzburg festival. "Bartoli is a good singer, but she's not worth that sort of money," says Gerard Mortier, the festival's director. "It's time managers put their foot down." Some orchestras and opera houses will always break rank - that is the nature of competition - and there is growing evidence of private money being used to plug the gap between available resources and the fee demanded. Bartoli's recent London recital went ahead only because a sponsor came up with the money. Sponsorship also explains why singers like Carreras and Mirella Freni continue to appear at the modest-sized Zurich Opera House. But artists are learning that unless they modify their demands,

they will confine themselves to a very narrow market. "That's why the top range of fees can be misleading," says one leading opera house manager. "People in the business take those figures with a grain of salt - these are figures asked for but rarely agreed. We're increasingly telling agents that it's nice they can get that sort of money elsewhere, but this is what we can offer: take it or leave it. They all make deals if necessary." That explains why Domingo and Pavarotti continue to sing at Covent Garden, why Rostropovich still works with the London Symphony Orchestra. Most leading artists appear in London for between 40 and 60 per cent less than they get in Berlin, Paris or New York. "Of course, if you're willing to pay more, people will ask for more," says Clive Gillinson, the LSO's

chairman. "You have to be strict about it. Many of them feel it's important to appear in London, and they want to play with a great orchestra. Initially some find our fees hard to accept, but after discussing it, it's very rare that we can't come to an arrangement whereby both sides are satisfied." The same applies to the British regional orchestras, which have suffered a bigger drop in purchasing power than their London counterparts. In the 1960s, the Royal Scottish National Orchestra could afford artists of the calibre of Rubinstein and Schwarzkopf. Today its sights are lower, "but I'm happy with next season's programme, because it's repertoire-driven rather than star-driven," says the orchestra's chief executive, Paul Hughes. "We still attract artists like Jean-Yves Thibaudet, Felicity Lott and



Katie Mitchell's staging of Euripides's *The Phoenician Women* - new last October at the Other Place in Stratford-upon-Avon - is one of the finest productions of a Greek tragedy that I have ever seen, and one of the finest of all productions in recent Royal Shakespeare Company repertory. The play itself, running at slightly over two hours with out intervals, is the longest of all the extant Greek tragedies. Re-telling the Theban tale of Oedipus, Jocasta and their children, it combines enough different threads of plot to suffice an entire trilogy (some sections of it are textually suspect), but it is the strength of its strength. At the start, every one of Oedipus's family is still alive. By the end, parents have lost children, children have lost parents, a sister has lost her mother and two brothers. The beauty of Mitchell's production is the eloquent restraint with which she handles this.



Tragedy at its finest: a scene from Katie Mitchell's superb production of Euripides' *The Phoenician Women*

## Theatre/Alastair Macaulay

### A bright new era for Greek drama

physical intensity where maternal instinct enters into the erotic. Full-arm gestures are sometimes used - gestures of truly classical economy, suffused with both intensity and spontaneity, and full of expressive beauty. The problem with modern stagings of Greek tragedy has usually been musical: how do you bring off the choruses? But Claire Hughes's music here - like Mike Sands's for the Gate's excellent triptych of Euripides plays, *Agamemnon's Children* last year - makes me hope that we may be entering a bright new era for Greek drama. Metre, polyphony, speech, chant and song are beautifully blended in idioms drawn from Eastern Europe

and the Near East, different in each choral ode. There is a sense of folk tradition, of ritual involvement at its most open-spirited. Within the group, we are frequently aware of the individual contributions. I am especially haunted by one tenor voice, tracing a marvellous mazzin-like vocal line during the third part of the second chorus and some repeated calls, swelling on one high note and then descending, with a beautiful portamento, into a hushed conclusion. Liz Rankan's movement - though metrically too simple for Euripides or for this music - is absolutely in the same ritual, simple, fresh style. The sense of ritual is further refreshed by the way in which

Mitchell has most of the soloist actors, changing their costume and make-up, join the chorus when their acting scenes are over. And yet - although we recognise amid the chorus the actors who have previously been playing Antigone, her slave, Polyneices, Eteocles, and others - the drama stays new, and we believe that the chorus wants to know what will happen next. Since they do, so do we.

The translation, by David Thompson, has the immediacy and modernity of Euripides. In several details, it is questionable - it adds a far stronger suggestion, for example, that Jocasta prefers Polyneices to Eteocles than I can see in Euripides - but its spirit carries

the staging. Although the pronunciation of Greek names is always a dodgy area, I do not know why the actors choose to pronounce the "ai" of "Polyneices" as if it were bisyllabic, and I know that it is incorrect to pronounce "Colonus" as if its second "o" were short. I concentrate on style here because a play like *The Phoenician Women*, recycling so much Oedipal material, would get nowhere if it were performed in a style that was not persuasive. As it is, this production makes an exceptionally strong case for this play. I love the human details it supplies as it prepares to pile woe on woe; the quasi-Homeric scene in which the young Antigone and her slave survey the

warriors from the city walls has a surpassingly touching lyricism. All the actors do very well: the contributions of Lorraine Ashbourne, Lucy Whybrow, Darlene Johnson are exceptional. This staging ranks beside the RSC's 1994 *Ion* and the Gate's 1996 *Electra*, *Orestes*, and *Iphigenia* (*Agamemnon's Children*). These productions - to my mind, far more serious than the Diana Rigg *Medea* or the National Theatre *Women of Troy* - make us see how diverse and surprising a dramatist Euripides was, and how accessible he still can be after the millennia. In RSC repertory at The Pit, Barbican Centre, EC2.

## Aldeburgh Festival/David Murray

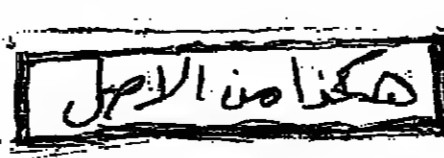
### Lindberg's 'Engine'

Last year the Aldeburgh Festival found itself playing host to a startlingly popular success. The British premiere of Magnus Lindberg's *Aura*. When it concluded, even the zimmer frames were enthusiastically rattled. *Aura* proved to be one of Lindberg's most energetic pieces, very loud but also persuasively cogent, on the long-sighted scale of a big Sibelius movement. A Royal Festival Hall audience should have heard the Philharmonia play *Aura* last Saturday, but funding problems forced the cancellation of the concert - like many another promised orchestral evening on the South Bank this season. The loss was doubly a pity, for Lindberg himself is currently presiding over the South Bank's "Meltdown" festival, in which that Philharmonia concert should have been the prize event. Nonetheless the South Bank, Aldeburgh and the London Sinfonietta had had the collective good sense to commission a new piece from him (for less costly forces). *Engine* had its Aldeburgh premiere last Friday, by the Sinfonietta under Markus Stenz, and can be heard in the Queen Elizabeth Hall this Sunday. It lives up to its title, less by driving rhythms - there is more light-and-shade in the piece than "Engine" suggests - than through Lindberg's characteristic piling-up of vital fragments, pressing one upon another in lusty profusion. Since he joined Boulez's IRCAM establishment a few years ago, Lindberg has come to love computers. Different composers make different uses of them; his preferred method is to set the computer to generating patterns with specific constraints (in line with his original instructions), within which he gets on with fervent composing. He finds the computer helpful with "layering" the music in his current style, which involves running on distinct but simultaneous planes.

In *Aura* he achieved a sensational result. I suspect that *Engine* is a still a first draft, to be refined and developed later. The late bonus to the programme, a first performance of Lindberg's "revised" *Arena II* (premiered in Finland last year, here economically slimmied), gave good reason for suspecting that. That piece develops Sondheim's "melody" above all - plant a short phrase, repeat it with new extensions - in such incisive orchestral sound, now, as to compel delighted assent. Further tinkering with Lindberg's *Engine* should bring its contrasts and continuities into equally sharp relief, but already it sounds almost as good as *Arena II*, which is saying a lot. The next morning we heard a "Musical Portrait" of Julian Anderson, yet another young Cambridge composer. Besides his introductory chats, what we heard was an eight-minute confrontation for clarinet and piano, ending in shrieks and thumps, and two very tiny piano studies, along with other short pieces by composers he likes. By the end, one was no wiser about Anderson's music than before. The Cambridge establishment does push its young sprouts hard.

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James Morgan

# The media put their foot in it

The week Jean-Marie Le Pen unhinged his mind and the Germans worried about the Queen's subjects

Racism, xenophobia, aggression and madness were the themes of the week, thanks to those twin pillars of European solidarity and comradeship - football and a summit. Surprisingly though, the *Frankfurter Allgemeine Zeitung* was the only paper I saw which made explicit the link between last weekend's summit, and the associated bovine question, and the parallel Euro-football championship.

It was almost a good read: "When our brave heroes score goals, the pure political pragmatism of governments and their genuine search for consensus and compromise are the losers. Is it only an accident that the British, in the Anglo-Saxon tradition of self-righteousness, have now unleashed a kind of limited war against the Continentals? When the whistle blew for the kick-off on the island, the game had nothing to do with partnership, mutual respect or even fair play. It sounded like old times: Britain against Europe."

The *FAZ* wrote of mad cows and such like, and said there had been no debate between gentlemen. "Just in order to gain points with Eurosceptics, [the British leaders] Major and Rifkind tried to unleash a noisy war. They accepted that ancient enmities would be evoked in British public life eventually to emerge on the football field."

Then the *Daily Mirror* produced its now notorious front page, "Achting Surrender", and *The Sun* called for a "Fritz Blitz" to trall the Anglo-German football semi-final. The *Mirror* was thought to have gone beyond the bounds of decency, although it said little different from much of what had gone before.

Editorials and columnists in most of the press had spent weeks inflaming emotions that scarcely conform to the national ideals of tolerance, pliancy and decency - not that these today are the first images that leap to Johnny Foreigner's mind when the word "British" is uttered.

In France, meanwhile, the leader of the National Front, Jean-Marie Le Pen, unhinged his mind, too, and stated that members of the French football team were not patriotic because they didn't sing the "Marseillaise", and they weren't French anyway. It was "unnatural to get players from abroad and baptise them as the French team". All this just after the team had qualified for the semi-final.

# Peter Aspden For humour read irony



What makes something funny? It is a tough question to answer right now. Tabloid newspapers have taken advantage of a sporting occasion to make a series of jokes about the second world war, in which 50m people died. Offensive, xenophobic, likely to incite (as debated by my colleague James Morgan)? Or just a bit of a laugh?

The Sex Pistols are in the middle of their "Filthy Lucre" re-union tour. Their sole, self-confessed aim is to make people's money. Nothing more, nothing less. But they sing of anarchy and abortions, despair and destruction, and other grim matters wholly uncondemned to the red-blooded capitalism to which they have converted. Tasteless? Hypocritical? Or just some harmless fun? There is a received wisdom which says that humour has to hit targets to be truly effective. That scabrous comedian of post-war America, Lenny Bruce, used his act to launch poisonous attacks on conventional bourgeois morality. Bruce, working in a satirical tradition which stretches back to Aristophanes, made inflated claims for the role of the humorist - "today's comic is not doing an act, the audience assumes he's telling the truth" - but the subjects of his attacks flinched. Bruce met a sticky end; but so did conventional bourgeois morality.

On the other hand, there is the view that the very best humour does not, indeed should not, offend; its appeal lies in timeless values which are universally shared. Nobody can find complaint in Charlie Chaplin. A pratfall is a pratfall, from Perham to Polynesia.

In politics, culture and advertising, the sharp quip rules. But it is, of course, a cop-out

Why, the argument runs, is Mickey Mouse so popular? Here is a character that is not humorous, not controversial, in fact not interesting in any way at all. He has a leonine girlfriend who speaks unbearable banalities in high-pitched hysterics, and a sleepy, stupid dog. What exactly is so funny? Compare him with Bugs Bunny, full of mischief and malice, or Donald Duck, caught between troublesome nephews and an avaricious uncle, and Mickey seems unbearably bland. There is no basic comic premise to his life at all, no existential intrigue. Yet who remains the most popular, recognisable figure in the whole world?

That was the case with those trigger-happy tabloids. The editor of the *Daily Mirror* was forced to apologise to his readers after his rabid references to the war were found to cause offence. In going a step too far, he forced a re-evaluation of boundaries. Where is the line between justifiable patriotism and odious jingoism? It is an important, urgent question, and probably better debated on the front pages of popular newspapers than in a dozy afternoon in the House of Lords.

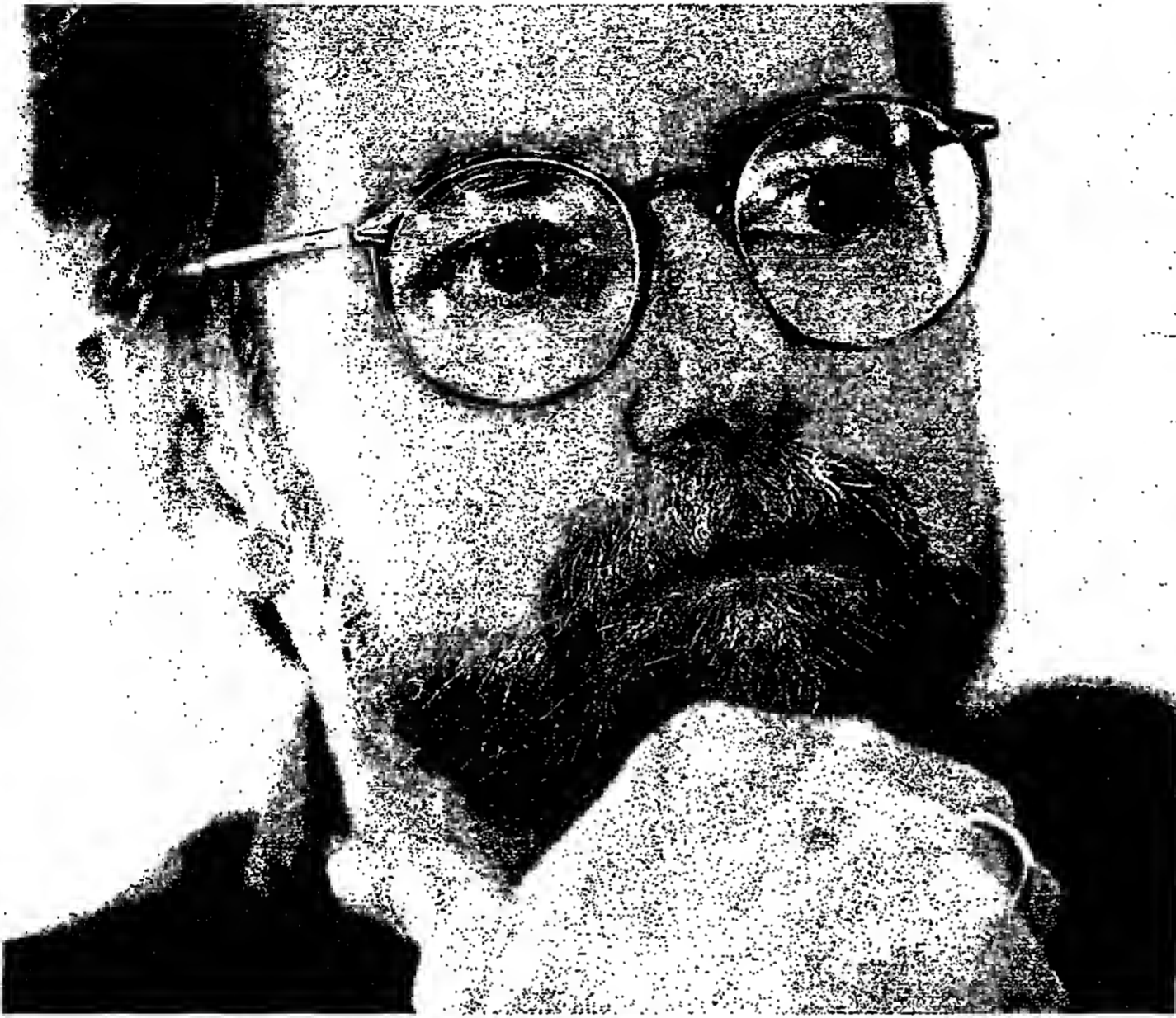
Private View

# Three tenors and a phenomenon

Christian Tyler meets an expert on the 'winner-take-all' market economy

Today sees the start in Tokyo of a world tour by three middle-aged singers, a travelling cartel known as The Three Tenors and composed of Luciano Pavarotti, Placido Domingo and José Carreras.

The three tenors will sing together not just to make music (actually, their voices don't match too well) or to make money (a reported \$15m each) but to confirm their status as global winners in the "opera" market. They are only doing what film stars, supermodels, pop singers, tennis aces and football heroes have done for years, which is to command stratospheric fees and royalties for often only marginal superiority over other performers - and sometimes not even that.



Robert Frank: 'If all the top talents were paid less they would still be willing to sing the songs'

So what's new? What's new, according to Robert Frank, a professor of economics at Cornell University, is that the three-tenor phenomenon is spreading rapidly through the professions. What he loosely calls "winner-take-all markets" are emerging not only for company chief executives, bond traders and takeover specialists but also for novelists, doctors, lawyers, consultants, journalists - even university professors.

Frank brings a Darwinian tinge to his analysis. Human competition for money rewards, he said, is becoming "precisely analogous" to animal competition for sex. This is true even when put in mathematical terms. In the animal kingdom there are plenty of males to compete for the females; yet often a mere handful succeed in siring most of the offspring. Just as the elk grows antlers 12ft wide to win his battles for sex, so the Olympic sprinter beats up on steroids in the hope of getting a 10th of a second ahead of his rivals.

effect, the market rate turns out to be enormous. But that's just the going rate. "Is the going rate, in some sense, too big?" "Well, what is true is that if all the top talents were paid less they would still be willing to sing the songs."

incentives are critically important," he explained. "Many Democrats seem not to understand that."

... the drive for high rank is closely linked to sexual success'

because he has the best voice. People want to see famous people. "So long as there is this army of tenors in futile competition for top slots, we're going to be wasting what those people could have produced."

Andrew Clark, Page XV

Mephistomania has bit the town. The citizenry are still mildly stunned as if they had been visited by Martians. It began on the west lawn of The Close. A slightly bemused crowd had assembled, drawn together by a rumour that a "bappening" was to be expected.

Striding on long slender stilts like exotic ostriches with 10ft balancing poles or lances, they twisted and twirled through the crowds. "Eerie music - Salvador Dali for the ears - followed them on an electric chariot draped in psychedelic fabrics. They began to sing and dance. Magnesium flares blazed round them. Fountains of purple, black and orange smoke gusted upwards.

ed off the cathedral. The floodlights threw huge and menacing shadows on its walls.

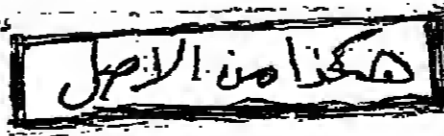
surged after them, laughing and pointing, as the menacing figures threaded their way through the throng with glaring eyes and wicked, laughing teeth.

going on here," he remarked with a grin, "but I was born here, and once in a while I think the streets of the town belong to its people, not to the cars."

very drunk. They pushed their way roughly through crowds towards the square, shouting obscenities. "And this is Britain!" I heard a woman behind me exclaim. The simulated terror of drama is a world away from the real terror of violence. I held my breath.

# The Devil comes to town

Hugh Dickinson welcomes you to a nightmare in The Close





WEEKEND INVESTOR

Bids

Shares in Costain were suspended on Wednesday after the construction group said it wanted to extend the deadline for publishing its annual results...

Westminster Health Care, the care homes operator, surprised the market on Tuesday by making its offer for smaller rival, Goldborough Healthcare, final.

Current takeover bids and mergers

Table with columns: Company, Bid by, Value of bid, Current price, etc. Includes Goldborough, Gosport, JOM Steam etc.

Last week's preliminary results

Table with columns: Company, Sector, Year, Profit, etc. Lists various companies like ASDA, Alton, American Express, etc.

Results due next week

Table with columns: Company, Sector, Account date, Last year, etc. Lists companies like Abnott New Dawn, Associated Housing Services, etc.

Last week's interim results

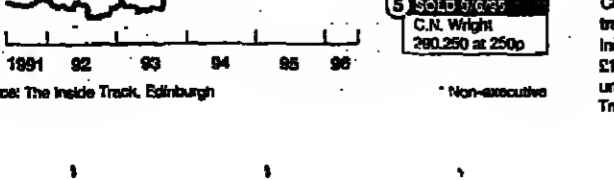
Table with columns: Company, Sector, Year, Profit, etc. Lists companies like Arcor, Balfour Beatty, etc.

Directors' share transactions in their own companies 9-15 June

Table with columns: Company, Director, Shares, Value, etc. Lists companies like SALES, Sarsfield Prop, etc.

The week ahead

MONDAY: The UK's largest brewer, Scottish & Newcastle, is expected to report underlying earnings growth of about 7 per cent to 8p a share...



In the Pink

Reading the runes on this year's golden bear

Brian Marber is glad chartists rely on empirical observation and not on the theory when mapping the markets

Article by Brian Marber discussing market trends, including a line graph titled 'Outweighing the negative evidence' and various market analysis points.

Advertisement for FT Discovery featuring a large image of a fish and text: 'Fed up with fishing for business information? FT Discovery. The instant way to hook the information you need.'

# Weekend Investor

Wall Street

## Fed's answer is still blowing in the wind

Maggie Urry believes pressure for a rate rise has slackened off in recent days

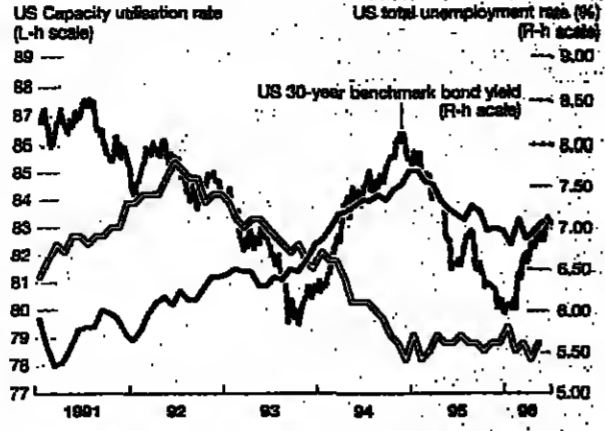
Alan Greenspan's reappointment as chairman of the Federal Reserve finally went through this week. On Tuesday and Wednesday next week the Fed's monetary policy-making committee meets to discuss whether a change in interest rates is necessary. Will the former event affect the decision taken at that meeting? It should not, Greenspan has a reputation for being both unwavering by political winds and determined to choke inflation. If a rise in interest rates were necessary, he would not have been deterred just because his reappointment was still pending. But in any case, the pressure for a rate rise seems to have lessened in recent days. By the end of this week, the bond market had a strong sense in its nostrils that interest rates would not rise at the Fed's July meeting. There is still a risk that at the following meeting in late August, there will be a tightening of monetary policy. But the mood in the market is now definitively sunny, and August 30, the date of the next meeting, seems a long way off. By then, who knows, perhaps the strong economic growth being enjoyed during the second quarter will have abated.

That is the critical question, according to John Lipsky, chief economist at Salomon Brothers, the investment bank, who warns against reading too much into the bond market's rally. Data indicate that demand in the economy is strong and although speculation of a rate increase at this meeting has died down, he says: "The fundamental issues have not been settled."

Lipsky believes the central issue is "whether the pace of domestic demand growth will remain at its current above-trend rate, or whether clear-cut signs of a deceleration appear". Unless there is some sign of a slowing in the third quarter, he says, the Fed is likely to raise rates in August or, at the latest, by the end of the third quarter.

Sentiment in the markets over the chance of an increase in interest rates this coming week has swung in the last month. Fears of a rate rise increased after the May employment report released at the beginning of June. The 348,000 rise in the number of jobs worried investors that the economy was growing too

Interest rates on the rise?



quickly, and that could push up wages, and so inflation. As the chart shows, the unemployment rate fell sharply from 1992 to 1994, as the US economy began to recover from the recession of the early 1990s. It has held fairly steady over the past year at around the 5% per cent rate considered to be the lowest it can reach without causing labour shortages which would increase wages - so far without a rise in inflation. The yield on the 30-year long bond rose above 7 per cent when the May report was published. This Thursday the yield dipped below 7 per cent, retreating all the market's losses. Economists are expecting a much lower job increase than for May. But Lipsky expects a 200,000 rise, which would be an unsustainable rate.

Another indicator of inflationary pressures comes from the capacity utilisation number. That used to be a popular one to watch, but has become less so. Lipsky warns, though, that there is limited slack in the economy, and there is a danger of bottlenecks causing upward pressure on prices.

"The strange thing lately has been the way that equities have not been settled," he says. "The Fed is likely to raise rates in August or, at the latest, by the end of the third quarter."

Eric Miller, chief investment officer at Donaldson, Lufkin & Jenrette, the broker, still thinks there will be a July rally in the stock market. But he is not hopeful that it will be broad or strong enough to be sustainable. He notes a real slowing of mutual fund inflows in June, after a strong May, and suggests that the new issue flow may have to abate. Flotations have been

London

## I'm Tomkins - licensed to add

What price an accountancy spook, asks Philip Coggan

No one is ever likely to make a TV series about an accountant. There is drama in the work of doctors, lawyers, policemen and even journalists. But how would you sell an accountancy show? "Tomkins - licensed to add" - But with their dogged attention to detail, accountants can create excitement for investors. Take this week, when Wickes, the DIY retailer, was forced to report that its profits and shareholders' funds had been overstated in previous years. The problems appeared to relate to the payment of cash rebates and credit notes from suppliers to help Wickes with marketing promotions and other services. The shares immediately slumped by 40p to 60p, prompting the company to ask for their suspension. Investors were understandably aggrieved, especially, no doubt, those who arrived at their desks mid-morning to discover they were too late to sell. The following day saw the resignation of Henry Sweetbaum, the chairman and chief executive, and an investigation into the accounts is being conducted by Linklaters, the solicitors, and Price Waterhouse, the accountants. Accounts - or rather the lack of them - also caused a flurry at Costain, the UK construction group. The company, which has had serious difficulties in the 1990s, was close to the deadline for filing its figures. When it announced they would be further delayed this week, investors understandably feared the worst and marked the shares down 51p to 30p before they, too, were suspended. As it transpired, the news may be good rather than bad. A south-east Asian investor is considering purchasing a large stake in the group. Such a move, together with the sale of its remaining US coal interests, would transform Costain's financial position.

Seeing your shares suspended can be a frustrating experience for investors, although this seemed to be a week when all activity was grinding to a halt. Traders had plenty of competition for their attention, what with the Euro 96 tournament and the early stages of Wimbledon. The lack of enthusiasm is understandable. The first half has been disappointing for investors in blue chips, only yesterday's rise took the FT-SE 100 index above its end-December level. Smaller companies have done a lot better, as the graph shows. And a similar split is starting to emerge in the economy. The consumer sector is finally rebounding, underpinned, according to Adam Cole, UK economist at James Capel, by "annual real personal income growth at its highest level since 1989". But manufacturing is under pressure. Weak Continental economies are constraining export growth. And Corey Miller, of Credit Lyonnais



Bowled over: drama surfaced in the world of accountancy. PFC/Robert Harding

Lang, says that "the manufacturing sector's pricing advantage, measured by the differential between factory gate prices and retail prices, has all but disappeared". Throw in the market's continuing nervousness over the political outlook and one can see why few are expecting fireworks from the market in the second half. Mark Brown, head of strategy and economics at ABN-Amro Hoare Govett, is sticking to his end-year target for Footsie of 3,500. "The equity market has been struggling in recent weeks while gilts have been doing reasonably well. We felt that shares had been looking stretched on a valuation basis and this may represent the adjustment," he says.

Some of the liquidity arguments which had previously been helping the stock market have dwindled, says Brown. The corporate sector has had its second successive quarter of fiscal deficit; there has been a pick-up in new issues; and such an appetite for equities among institutional investors is not healthy - pension funds were the net sellers of equities in the first quarter.

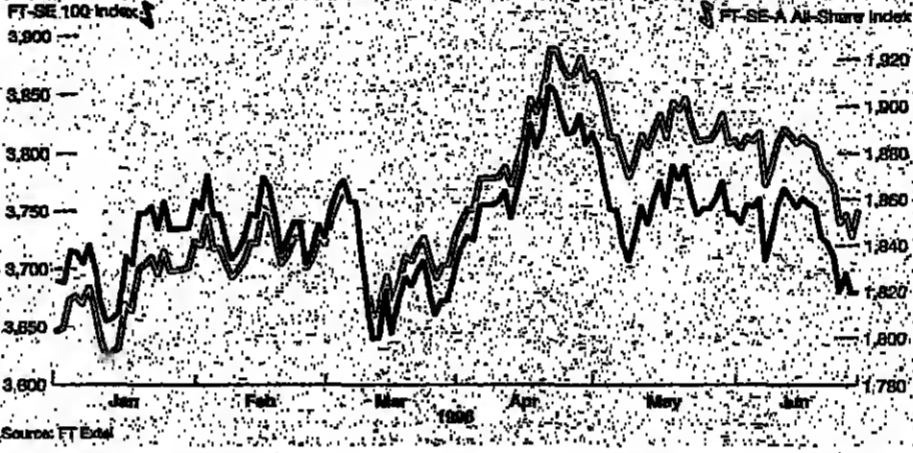
There are also some bad signs for those who are statistically minded. The Coppedock indicator, which turned down last month for the FT-SE 100 index, has also dropped on the All-Share. The indicator was devised to give "buy" rather than "sell" signals on the market and seemed to work well last year when it advised investors to buy at the end of April, with Footsie at 3,216.7. But stock market historian David Schwartz has found that a fall from a peak in the All-

Share indicator has signalled the start of a bear market on 10 out of the 11 occasions since 1955. In the past, prices have started to fall within four months (either before or after) of the signal being given. Statistical buffs will also be sad to learn that the O'Higgins theory, often mentioned in the Weekend FT, has had another bad year. This involves finding the 10 stocks in the FT-30 index with the highest yield and, of those, picking the five with the lowest share prices.

The theory was originally devised by Michael O'Higgins, a US fund manager, to be used with the Dow Jones Industrial Average. But when tested in the UK, it worked well over the period 1979-1993. An iron rule of such stock-picking theories seems to be that, as soon as they become widely known, they cease to work. The killer for the O'Higgins theory may have been the launch of a personal equity plan based on the principle.

Over the year to June 29, the five stocks selected by the theory managed an average loss of 9.1 per cent, compared with a rise in the All-Share index of 14.1 per cent. The culprits were Hanson, BTR and British Gas, which fell a whopping 38.6 per cent over the year. Nevertheless, given the years in which the theory has been a success, it is worth trying the exercise again. The shares selected, using the June 29 FT, were British Gas (177.5p, 10.2 per cent yield), Hanson (173p, 8.4 per cent yield), BTR (255p, 7.2 per cent), BICC (312p, 5 per cent) and BT (344p, 7 per cent).

The flyweights lick the heavyweights



### Highlights of the week

FT-SE 100 Index	3,216.7	+11.3	3,228.0
FT-SE All-Share Index	3,500.0	+14.1	3,514.1
Dow Jones Ind Average	5,827.5	+12.5	5,840.0
Nikkei	13,200.0	+1.5	13,215.0
Hong Kong	10,000.0	+0.5	10,005.0

**Market Movements**  
Dette Bank 100: -1.5  
Dette Bank 250: -0.5  
Aeroflot 181: -4.0  
E.ON 180: -0.5  
Euroshare 98: -1.0  
National Express 491: -1.0  
P & O 498: -0.5  
Rank Organisation 498: -0.5  
Report by 19: -0.5  
Shell 19: -0.5  
T & A 118: -0.5  
Wickes 801: -0.5  
Zeneca 1423: -1.0

**Company News**  
Sporting distractions  
Disappointing corporate news  
Takeover talks  
1996 results  
Debt restructuring concern  
Adverse DTI ruling  
Stock overhang  
Disappointing trading statement  
Fears over competition for sites  
Accounting concerns  
Broker recommendation

Price at suspension



Barry Riley

## Big funds vote with their feet

It has been a bad time to seek high income from equities

A brisk Friday managed to entrench an undistinguished half-year for the UK equity market. The FT-SE 100 index of the biggest blue chips is virtually unchanged from its end-1995 level, and the broader-based All-Share index is up just about 3 per cent.

London has lagged behind many of the important overseas markets. The Dow Jones Average has risen by about 11 per cent since the beginning of January, while Tokyo's Nikkei index is up by 13 per cent and the Europe ex UK index has advanced by 12 per cent (in local currencies).

Nevertheless, the bull market has also survived in London in small company stocks. Whereas the Footsie index peaked with a gain of just 3 per cent on April 19, the SmallCap index hit a high of 12 per cent as of June 6, with a 13 per cent gain.

What is wrong with London? This year's 5 or 6 per cent appreciation by sterling against key currencies like the D-mark, the French franc and the yen has not helped profit prospects. But corporate performance does not seem to be a problem.

True, earnings per share growth has slowed to about 10 per cent and year-on-year All-Share dividend growth has edged down to 9 per cent compared with 11 per cent at

one stage last year. But these are very decent figures in a low-inflation environment after four years of solid economic growth. It is possible to blame the gut-wrenching market, where long-term yields have risen from 7.7 to 8.3 per cent in six months.

But this does not seem to be by any means the whole story. Long bond yields have risen even more steeply in the US, and by about the same in Germany, without affecting the local stock markets in the same way.

In fact, the nub of the problem is a shift in the consensus thinking of the big investment institutions. The pessimism of the big funds has swamped any benefit from the rub of small investors into unit trusts, which have been selling at record levels to retail investors in recent months and may have bought around £1.5bn of UK equities so far in 1996.

Since last autumn, the life assurance and pension fund managers have been reducing their exposure to British stocks. They are reacting to what they perceive as increased political risk. Figures from CAPS, a firm which gathers regular quarterly statistics on pension funds, show that UK equities accounted for 58.5 per cent of their portfolios at the end of September 1995, a

similar level to previous quarters, but a progressive rundown then began. By the end of March 1996 the exposure was down to 54.5 per cent. Remember that 2 per cent of British pension funds represents some £10bn.

To begin with, the selling of UK equities reflected a largely passive decision not to reinvest all the cash received through last year's numerous takeover bids. Recently, however, the disposals have become more aggressive. Merrill Lynch's latest Callmap Poll of UK fund managers, for June, has indicated a current allocation to UK equities of just 53.1 per cent.

The eagerness to sell is greater than in any other of these monthly opinion polls since they were started in 1990. The money is being diverted principally into continental European and Far Eastern equities.

Evidently the institutions are running scared of a future Labour government. To them a Blair market is a bear

market. The biggest worry is over dividends. High payouts are especially attractive to pension funds, which can claim back tax on UK dividends.

The healthy and buoyant flow of dividend income has offset the risk of holding nearly 60 per cent of portfolios in a simple type of investment, UK equities.

But next year's threatened Labour government is bound to be hungry for tax. A fit corporate sector will provide a soft target, and Labour will be able to argue that taxing dividends more heavily will encourage more retention of profits in order to finance capital investment.

So, investors are diversifying, by pushing their percentage invested in overseas equities up from 22 to a target of perhaps 27 per cent.

Fund managers also fear that takeover activity, already slowing from the peak rate of 1995, will be further discouraged, and that corporate governance practices will become less helpful to the creation of shareholder value. Hence, perhaps, the shift to the Continent where the corporate governance pendulum happens to be swinging the other way.

Even under the Tories we have seen demonstrated the particular political risks of the utilities sector, which has

Offshore managed funds and UK managed funds are listed in Section One

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